

EUROPEAN NEWS

Violence marks Kurdish rebel anniversary

Jim Bodgeman looks at a campaign of terror in the rocky terrain of south-east Turkey

VILLAGES clustered in the rough foothills of south-eastern Turkey are gripped with fear as Kurdish rebels continue to step up their campaign of raids and attacks to mark yesterday's fifth anniversary of the secessionist movement.

Suspected Kurdish guerrillas from the Marxist Party Karkaren Kurdistan (PKK-Kurdish Workers' Party) yesterday killed six hostages, kidnapped 12 others and burned down four village schools in south-east Turkey.

Over the weekend, another spate of raids in the province of Van left 15 people dead while many were abducted and several buildings set ablaze in different communities. The guerrilla attacks came as government troops were reportedly preparing a big offensive against rebel hideouts in the Cudi mountain area near the Iraqi border.

The semi-official Anatolia news agency reported that over the weekend the guerrillas raided three townships and killed seven people. Insurgents killed a village guard at Lican, burnt the primary school and then commanded a bus to Bahcesaray, where they attacked the sub-governor's residence with rocket launchers. They killed three and wounded another before fleeing.

As part of a concerted wave of attacks, a second group of Kurds raided Nari village in Cukurova township, shot two villagers dead and abducted five youths while a third group raided Ovezek village in Catak, killing a village guard and burning the village's primary school and health centre.

The terrorists, with mounting audacity, even rocked the military command base in the Cudi massif at Sirnak during a two-hour fire fight on Saturday night.

Earlier in the week the flat-roofed, village of Hisar in a green cleft of the arid Cudi mountain massif was the target of a guerrilla raid. A retired village elder and his three guests were shot dead on his verandah by several masked terrorists with Kalashnikovs on Thursday, villagers said.

More than an hour after the shots rang out, a three-man patrol of soldiers ventured forth from the heavily sandbagged schoolhouse surrounded by fox-holes less than 50 yards away up the slope. The guerrillas had long since melted back into the night towards the tree-lined river.



A solitary Turkish soldier stands guard on a hilltop over a small community in Van province where Kurdish rebels have conducted a campaign of raids and attacks from their mountain bases

Only at daybreak did the soldiers sally out in force.

"They are supposed to protect us, but they do nothing," complained one of Hisar's 700 inhabitants bitterly. "We are caught between two fires. If we support the Government, the PKK will kill us. If we supply and spy for the PKK, the government puts us in jail. Which is the better choice?"

In Hisar at least, the terrorists had scored the first round in psychological warfare. Shame-faced, conscript soldiers at the schoolhouse were ordered not to give interviews to higher command over the walkie-talkie.

Unofficial sources said around 30,000 troops have mustered in the towns of Cizre, Sirnak and Silopi below the forbidding massif. Turkish papers have reported in the past weeks that commando teams from western and central Turkey were moved to the Hakkari area for the planned assault.

However, the task of flushing out the PKK will be difficult as the entire area is per-

fect guerrilla terrain: the cliffs of its peaks are packed with caves, high above ravines cutting through the range. These provide myriad labyrinthine trails and lairs for the PKK's infiltrators.

Either the generals plan a massive sweep or are taking precautions against an escalation of the PKK's ruthless Vietnamese-style separatist campaign to mark the fifth anniversary since the PKK offensive was launched on August 15, 1984.

More than 800 deaths have resulted from PKK operations over the past two years alone.

Since then, the mix has changed, but almost every day since a spring offensive started in May, other civilians have perished.

The incidence of terrorism rose in the Cudi area by 217 per cent in the first seven months of this year to 151 attacks and clashes, compared with the same period of 1988. Countrywide in 1989 there have been 258 incidents, compared with 143 over the same period last year.

The terrorists killed 42 sol-

BULGARIA yesterday accused Nato of interfering in the country's internal affairs by calling on Sofia to respect the human rights of its ethnic Turkish minority, AP reports from Vienna.

The appeal from the North Atlantic Treaty Organisation was "rash and biased," according to an official statement carried by the state news agency BTA. Nato had "no juridical or moral right to be an arbitrator" in the dispute.

between Bulgaria and Turkey over hundreds of thousands of ethnic Turks who have left Bulgaria over the past three months, claiming they are fleeing an assimilation campaign.

The exodus of ethnic Turks from Bulgaria began after at least seven ethnic Turks were killed in May in protests against the 1984-1985 assimilation campaign that forced them to change their names and to stop speaking Turkish in public.

diers, against 30 last year - although the number of civilian deaths fell to 32 from 55.

Relations between the security forces and the civilian population have deteriorated significantly this year, according to Mr Orhan Dogan, a lawyer in Cizre. At present, he is defending 150 alleged PKK members or sympathisers in the courts.

Conviction for being a PKK sympathiser carries a minimum sentence of five years, and for being a member, a minimum sentence of 10 years, up to the death sentence, depending on circumstances.

Two well-publicised cases of alleged military callousness have widened the gulf. In January, villagers in Yesilyurt, near Cizre, complained that soldiers had forced an old man to eat excrement after an unsuccessful search for evidence of the PKK, according to case now being heard in the European Court of Human Rights in Strasbourg.

Earlier this month, people in another small hamlet dug up remains alleged to be two peasants burnt by soldiers in an attempt to cover up mistaken killings - denied in official autopsies. In addition, the military have ordered peasants, suspected of helping the PKK, to move away from their village near the mountains.

There is still trust between the public and the military," claimed the Super Valli of the south-east, Mr Hayri Kozaclioğlu, however, at a press conference on Monday.

The Super Valli or supreme regional governor with emergency powers in eight provinces. He is the only official of his type ever appointed in Turkey.

As Mr Kozaclioğlu noted, the PKK constantly needs new recruits. Many of these, he claimed, came from outside Turkey - some were even total foreigners. Yet the PKK regularly "kidnaps" youths during raids, taking them away for indoctrination, and training over the borders. How many of these join up voluntarily or are abductees is uncertain.

According to an inhabitant of Hisar, one of its youths went over to the PKK almost two years ago, followed by three others this spring. But the villagers refused to be drawn on whether the young men left their own free will. "This is the first time the PKK have ever come here," they maintained doggedly.

Estonian strikers vote to extend stoppage

By David Goodhart in Bonn

THE THOUSANDS of mainly young and well-qualified East Germans now streaming into the West Germany will not solve the latter's emergent skills shortage nor will they be the pile of cheap labour that some employers have been expecting, according to a senior official in the Federal Labour Office in Nuremberg.

"West German employers have been disappointed to find that the East Germans are either not well qualified enough or refuse to be used as cheap labour," said Mrs Ursula Engelen-Kafer yesterday. She added that very few wanted to work in low-pay sectors such as caring social services and farming, where labour shortages are more acute.

Investia reported that Estonian Communist Party chief Valmo Valjas made the no-punishment promise at a meeting with strikers on Monday.

"He assured [them] that no one would be punished for participating in the strike if they did not violate any concrete law," the newspaper said.

In another conciliatory statement, Mr Valjas said the Estonian government had made some minor and justified haste, Investia said.

Mr Valjas said the election law should be reviewed but, according to Investia's account, he made no promise of actual reforms.

Pravda yesterday denounced the Popular Front of Estonia, Latvia and the Saaremaa movement of Lithuania, saying they had become too nationalistic and were allowing anti-Soviet activities and "bourgeois" practices.

Pravda said the movements, which were launched in the past 16 months to press for more autonomy, had stolen much political authority from local Communist parties, many of whose members openly support them. In this atmosphere, "anti-Soviet groups have overtly increased their activity," Pravda said.

Democracy hope for Hungary

By David Goodhart in Bonn

WEST GERMANY'S campaign for the 1990 general election was yesterday declared open, at least in the increasingly important field of the environment, when Mr Klaus Toepfer, Environment Minister in the centre-right government, sharply criticised the Social Democrats' plan for an ecological overhaul of the economy.

Mr Toepfer, who was launching a publicity drive in an attempt to win back the initiative in environmental politics, also spoke out for heavy duties on carbon dioxide emissions and the establishment of specially trained "environment police" to ensure that Germany's relatively strict controls are properly enforced.

Asked in an interview with Austrian television whether the Communists would accept an opposition role, he said: "It is conceivable, but it is very questionable if it would be in the interests of the country."

Mr Nyers, a reformer long kept out of the leadership for his radicalism, was elected head of the Communist Party in June. Opposition parties recently gave the Communists a drubbing in four by-elections, but, Mr Nyers said, that the Communist Party, or the Hungarian Socialist Workers' Party as it is officially known, would win more than a third of the vote in the coming elections - Hungary's first multi-party polls since 1947.

He said a coalition government with the Communists as a minor partner might be acceptable to Moscow. And, given the right circumstances, the Kremlin might even recognise a Western-style democratic system in Hungary.

However, he said: "Eastern Europe's political situation is in no way mature enough for Hungary to become a country with Austria's kind of status, to become neutral."

Eastern Bloc youth 'will not' solve skill shortage in West

By David Goodhart in Bonn

from other parts of Eastern Europe who have bigger families and language problems.

Discouraging political action to support integration indirectly encourages the far-right Republican Party, she added. This year the labour office will spend about DM100 million on training and retraining the immigrants - about DM420m of this will go on language courses.

However, Mrs Engelen-Kafer concedes that most East Germans are young, single, and well qualified skilled workers, technicians and graduates - but says they often over-evaluate their skills which were gained in the relatively backward economy of East Germany.

Such views have been supported by an official of the engineering union, who said that East German welders were often highly skilled but had never used automatic welding equipment. The official also said that most East German immigrants want to take their time getting settled before getting jobs, which explains the 25,000 who are unemployed.

Even when they get jobs most immigrants - from both East Germany and other Eastern European countries - tend to be less well motivated than West Germans as they have never been encouraged to use their initiative.

Mrs Engelen-Kafer said that the biggest West German companies suffered less from the skills shortage because they have been able to poach the better qualified workers from small concerns which have been bearing an unfair share of national training costs.

SPD's environment plan under government attack

By David Goodhart in Bonn

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date, on raising petrol tax has also been criticised by the unions as being both regressive and ineffective.

Union officials say that in a relatively rich country, such policies will not persuade people to drive less but instead will adversely affect those on lower incomes.

Mr Toepfer's newest proposal yesterday was for an unspecified duty on carbon dioxide emissions to be introduced after the next election. Because of the lack of appropriate technology, carbon dioxide is not currently covered by emission control laws - which cover only sulphur and nitrogen emissions.

Mr Toepfer said that the duty would contribute to a reduction in the "greenhouse effect". West Germany currently releases about 700m tonnes of carbon dioxide a year into the atmosphere - 25m tonnes from power stations, 125m from cars, and 122m from households.

Growth in Sweden hit by shortage of skilled labour

By Robert Taylor in Stockholm

AN ACUTE shortage of skilled workers is now having a severe effect on Sweden's growth rate, according to the 1990 economic forecast published yesterday by Sparbanken, the country's biggest savings bank.

Sparbanken expects only a 1.7 per cent expansion this year and only 1.1 per cent next year.

The most important reason for this is that Swedish factories cannot produce more than they are doing," says the report. "Two out of every three firms in the country have a shortage of skilled workers," to become neutral."

"Tax reform is no miracle medicine, but it can contribute to a loosening of the bottlenecks in the Swedish economy," it says.

OECD criticises handling of overheating Finnish economy

By Robert Taylor in Stockholm

FINLAND'S coalition government has failed to produce an adequate policy response in dealing with the an overheating economy and strong inflationary pressures, according to the latest country survey by the Organisation for Economic Co-operation and Development (OECD).

In addition, the report, which is unexpectedly critical in its overall analysis, also argues that the Finnish government's fiscal policy in coping with the country's deteriorating external deficit, "has not been restrictive enough to stabilise the economy".

The deficit totalled FM12.6bn (£1.5bn) in 1988 and is expected to reach FM17.5bn for the current year. The projected rise in the current account deficit is expected to amount to 3.75 per cent and 4 per cent of GDP this year and next respectively. Against this background, the OECD suggests that a further

lowest investment rate in military technology have put new generation fighter aircraft beyond the financial reach of medium-sized countries like Belgium, according to Belgian Defence Ministry officials.

In an attempt to curb public spending, Mr Wilfried Martens' coalition Government has recently decided to modernise its existing armament of 1960s-era Leopard 1 tanks and Mirage 5 aircraft, and to update its F-16 fighters, rather than join foreign consortia in developing a new military jet for the 1990s as the Belgian aircraft industry has urged strongly.

A Nato report last year criticised Belgium for having the

Dynamics of the United States promoting its Agile Falcon, and from the four-country consortium making the European Fighter Aircraft (EFA). But because of financial constraints, compounded by the lack of precise ideas from the Belgian air force about what it wanted, and the vastly-improved political climate between East and West, Belgium had had to turn all offers down.

However, Mr Mazy rejected criticism that defence was suffering from the presence since May 1988 of Socialist ministers like Mr Coeme in the Martens Government. The defence budget was being pared, with a further BFr1bn cut agreed last

month which would delay plans to give Belgium's four frigates a new light torpedo and sonar, up to 10 per cent cuts drawn up earlier by General Jose Chardier, the chief of staff.

But the Government was being more decisive than its predecessor in taking long-overdue procurement decisions, Mr Mazy claimed. He cited, in addition to this year's modernisation decisions, the decisions last year to buy Agusta helicopters from Italy and to spend BFr12bn on the RAMS battlefield radio system developed by four Belgian companies: Bell-Alcatel, ACEC, MBBLE and SAAT. As a result, the military capital investment programme would rise to

BFr30bn-BFr33bn this year. However, the Belgian aircraft industry remains upset at not getting the state-of-the-art development work on a new fighter which it feels it needs to stay competitive even on civil projects like Airbus and Ariane.

Its public appeal last April for Belgian participation in an international fighter project fell on deaf ears in Brussels. The Government believes that modernisation and production work on F-16s and Mirages will keep the airframe companies of Sabca and Sonaca busy, while the particular problems of FN, the engine-maker, have been eased by Snecma of France taking a stake in it.

To combat these tendencies, the OECD prescribes "as a matter of some urgency" that Finland frees agriculture and the food processing and textile industries from their present high levels of protectionism.

It also suggests that measures designed "to improve the balance of savings and investments should be given priority".

On its present forecast, it is reckoned that unemployment

will average 3.75 per cent in 1990 and 1991.

Wages in the business sector rose by 8.9 per cent last year and are set to rise to 8 per cent in 1990 with a projected jump to 10 per cent in 1991. Unit labour costs are projected to rise to 6.75 per cent next year compared with an average increase of only 2.25 per cent in the OECD area.

The report also thinks that inflation will rise from around 5 per cent in the first half of this year to 6.75 per cent in the second half of 1990.

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Police clash with Eta supporters

By Robert Taylor in San Sebastian

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MORE THAN 100 people were hurt, three seriously, in overnight clashes between Basque youths and police in San Sebastian, northern Spain, the local Red Cross said yesterday.

Police fired tear gas and rubber bullets as they charged the youths, who threw bottles and stones at officials taking part in a traditional procession at the start of the city's annual festival.

The youths, shouting slogans in support of the separatist group Eta, carried on throwing objects at police after the procession and clashes lasted into the early hours of yesterday morning, police said.

Meanwhile two bombs exploded early yesterday outside a bank and a French car showroom in the neighbouring Basque province of Vizcaya, damaging the buildings but causing no injuries.



Basque police break up a demonstration in San Sebastian.

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OVERSEAS NEWS

Australian inflation 'will worsen before it improves'

By Chris Sherwell in Sydney

AUSTRALIA'S deep balance of payments and inflation problems are going to get worse before they get better, according to projections unveiled in yesterday's budget.

The budget is the last before a general election, due within the next 12 months, and the Labor Party government, which will be seeking power for a record fourth term, is under mounting pressure over its high interest rate policies.

But a cautious Mr Paul Keating, Federal Treasurer, ruled out a premature fall in rates, telling parliament he was handing out "a budget without gimmicks - without resort to quick fixes."

Reaffirming his strategy for surmounting the economy's difficulties, he foreshadowed a record federal government surplus of A\$9.1bn (£4.3bn) for the fiscal year ending in June 1990 and another overall public sector surplus.

Treasury officials were also at pains to point out yesterday that the trend for both indica-

announced measures to encourage private sector savings through major incentives to save for retirement, and created a new Industry Commission to replace the Industries Assistance Commission and hasten structural change in inefficient sectors of the economy.

But for the year to next June, he expects a marginal worsening of the inflation rate to 7.5 per cent, and a further swelling of the current account deficit to a record A\$12.5bn - up from a revised A\$1.7bn for the year just ended, and equivalent to an unsustainable 5 per cent of gross domestic product.

Both projections may end on the pessimistic side, not least because of the embarrassing failure of the budget's optimistic inflation forecast of 4.5 per cent and current account projection of A\$9.5bn.

Treasury officials were also at pains to point out yesterday that the trend for both indica-

programme to buy back Treasury Bonds.

According to Mr Keating, the budget surplus, together with the forecast slowing in demand and expected improvement in the balance of payments, would all "establish a framework for lower interest rates." Independent analysts expect this to occur before the end of the year.

Among his few revenue measures, the Treasurer said companies would have to hand over an \$8 per cent instalment of their corporate tax payment in the first month after the end of their 1989-90 year, with the balance due three months later. The move reduces the tax deferral period companies enjoy, but will bring forward A\$8.5bn in government revenues.

The government added yesterday it would offer no Treasury Bonds over the remainder of 1990, and that as part of its debt repayments it would begin a reverse bond tender

programme of sales is to be undertaken over the next two years, to yield A\$300m.

On the expenditure side, Mr Keating offered help for people facing difficulty meeting rent and mortgage payments, the older unemployed and homeless youth - groups important to Labor's electoral fortunes. Overall, federal outlays are projected to fall in real terms for the fourth consecutive year to 2.7 per cent of GDP, a level last seen in 1973-74.

Early reaction to Mr Keating's measures last night was predictably mixed. The welfare lobby was pleased and trade union leaders welcomed the retirement incentives, while company executives were unhappy about the corporate tax changes.

The opposition Liberal party attacked the "quality" of the surplus, and said Mr Keating had failed to tackle the fundamental balance of payments and inflation problems.

Maputo's facade hides cost of war

By Nicholas Woodsworth

FOR THE teenagers of Polana Cimento, a suburb high over the water of Maputo Bay, life might as well be lived not in Africa but in a sunnily capital of southern Europe.

Outside the Escola Josina Machel, gum-chewing girls in jeans idle the motors of shiny pink Vespas as they talk to their boyfriends after classes. Others sit on the curb-side hugging textbooks and smoking cigarettes.

They chat breezily of rental tennis at the Hotel Polana, or Sunday at the beach. The quick and perfunctory latin kisses they bestow on the cheeks of their school-friends on departing are as atypical of the continent they inhabit as the ornate, red-tiled villas and high-rise apartment blocks in which they live.

As holiday-makers from the more sedate English colonies that surrounded Mozambique discovered decades ago, Lorenzo Marques, as it was then called, was a place to escape Africa.

A gracious city of wide, shady boulevards where 200,000 Portuguese had imported their relaxed, continental way of life intact, it offered Rhodesian and South African tourists palm-fringed beaches, sophisticated restaurants, and opulent hotels.

Maputo is still a city of escape today, but for entirely different reasons. The exotic latin atmosphere and the tourist hotels remain, but the tourists have stopped coming since Mozambique's independence from Portugal in 1975.

Maputo is now one of the few secure places in the country, and those who come here arrive not to seek pleasure but safety from the rebels of the Mozambican National Resistance. Polana Cimento, or "Cement Polana" - the home of Maputo's established middle class - shares its name with another much larger area closer to the edge of the city.

This is Polana Canico - one of the constantly growing number of sites where refugees from the Mozambican countryside have swollen the already considerable numbers of Maputo's urban poor.

While jobs are difficult to find and labourer's wages are less than 60 cents a day, the area's inhabitants are grateful for protection from the widespread pillage and murder.

Maputo is at all purposes a city state. Sitting at the extreme southern end of a narrow country more than 2,000 km long, it was built as a port for exports from South Africa's eastern Transvaal, in a colony where all lines of communication were built from west to east to facilitate the exploitation of a vast hinterland. Lorenzo Marques was already an isolated capital; in an independent state where 13 years of war have destroyed most road and rail lines and made the remaining ones dangerous, the city is now almost wholly cut off from the country it nominally rules.

There are no fronts in the left-wing Frelimo government's war against its shadowy MNRE enemy. The only safe method of travel out of Maputo is by air, and areas less than 20 kms from the city centre are subject to rebel attack.

Maputo's isolation from the rest of Mozambique is underlined by its apparent prosperity. In many parts of the countryside, Mozambicans have made a forced return to the stone age, scrabbling about in bark clothing to gather wild food. The war has killed 600,000 people, more than half of them children.

Fully half of the country's 14m population is faced with severe food shortages and kept alive by Western-funded emergency programmes that in 1988/89 will total \$32m (£22m).

Central Maputo, by contrast, has well-stocked shops, elegantly dressed inhabitants, and traffic jams of new cars and 4-wheel-drive vehicles.

Maputo's present consumption boom, however, is artificial and not bolstered by corresponding levels of productive activity. Because the war has prevented exploitation of its considerable agricultural, mining, and industrial potential, Mozambique has developed what might be termed a cock-tail party economy - more than two thirds of its \$100m annual foreign exchange earnings come through the sale of prawns and cashew nuts.

The remainder of Mozambique's foreign exchange needs last year it imported \$765m worth of foreign goods - is financed through international donations and loans, without which it could not survive. Thus Maputo wears the face of prosperity.

It is not, however, an act the city can keep up forever. Only an end to the war and fresh economic links between Maputo and the productive hinterland can bring real prosperity back to the charming but isolated city.



Paul Keating: "a budget without gimmicks"

Manila caught out on prison carnage

By Richard Gourley

PHILIPPINE troops stormed an army jail and killed 16 prisoners yesterday after the inmates raped and killed an Australian woman missionary and took the lives of four other hosts.

The convicts, many held on murder charges, seized the hostages after a bible service on Sunday in the jail at Davao, about 1,000 km (600 miles) southeast of Manila.

The killings are an example both of the violence rarely far from the surface in a country that professes Christian values, and of the Government's recurrent inability to react to such situations appropriately.

That violence was a possibility must at least have entered the mind of missionary Jacqueline Hamill - though not the gruesome rape before her death - given that her Joyful Assembly of God fundamentalist group conducted a prison mission.

What must again be ques-

tions is the Army's handling of the hostage negotiations with the former air force soldier serving a 27-year sentence for murder. The first mistake appears to have been allowing unprotected civilians near the group of 16 inmates who had already broken out in April taking hostages to support a demand for better conditions.

The government gave in to those demands, and appealed ready to offer clemency again this time.

Once the inmates had taken their prisoners, it was clear that no hostage contingency plan was ready. This is despite 21 years of the army supposedly being on "alert" in its fight against a communist insurgency and a similar siege of a police barracks in another Mindanao town earlier this year.

The army eventually ended that siege with a tank attack that destroyed the building that let the chief culprit escape. As

in that case, the negotiations with the missionaries' captors were conducted by a whole cast, from army officers to politicians anxious to attract media attention.

At 3pm yesterday, the inmates made a first effort to shoot their way out, failing and letting some of the hostages escape while one missionary used as a human barricade was still a chance the hostages were alive.

Violence in the Philippines is not likely to disappear overnight, despite the good will that President Corazon Aquino brings to her office.

But the peace at which it can be controlled is unlikely to be helped by lack of police or army planning and the kind of lax prison security that let guns fall into a murderer's hands, and which, earlier this year, let a top communist responsible for a Manila assassination squad walk out of jail after a birthday party. The gentle Filipino nature can at times be allowed too free a rein.

Dramatic gestures - like



Troops carry the body of Jacqueline Hamill from the scene of yesterday's shooting at Davao City

S Koreans make first crossing of demilitarised zone

By Maggie Ford in Seoul

A SOUTH Korean woman student and a Catholic priest yesterday walked from North to South Korea across the demilitarised zone which has divided the peninsula for more than 40 years.

The pair were immediately arrested by South Korean security forces, after being escorted out of the area by American United Nations forces, and were last night under interrogation in Seoul.

Their return, which took place on the 40th anniversary of Korea's liberation from Japanese colonial rule at the end of the Second World War, marked the first time that any Korean has peacefully made the crossing.

It coincides with a new pledge by South Korean President Roh Tae Woo to move towards the reunification of the two sides, which have existed in enmity since the beginning of the international cold war.

Miss Lim Su Kyong, 21, went to Communist North Korea last month to attend a youth festival in Pyongyang. She first attempted to return to the South through the border village of Pungnamjin two weeks ago.

North Korea was warned, however, by the US commander of the UN forces that Miss Lim's return was a matter for the South Korean Government to decide, and that Seoul was not prepared to allow her to go through. Father Moon Gyo Hyun subsequently went

to North Korea to try to ensure Miss Lim's safe return.

Miss Lim said that her visit was not aimed at hampering reunification or creating confrontation. She said she had sent a letter to Pope John Paul from North Korea. The Pope is to visit the South for a Eucharistic congress later this year.

UN forces headquarters would not comment yesterday on Miss Lim's decision to cross the border, which was interpreted in some quarters as a violation of the military armistice agreement which governs the demilitarised zone.

South Korean police yesterday mobilised 3,000 police at checkpoints on the way to the border zone to prevent students from travelling north to welcome Miss Lim. A demonstration by around 1,000 supporters ended peacefully.

President Roh yesterday put forward the Government's basic policy on reunification of the two Koreas in a broadcast to mark the liberation anniversary. He said that North Korea should respect the human rights of its own citizens and avoid trying to realise reunification through a Communist revolution in the South.

As an interim step, Mr Roh said, North and South Korea should recognise each other's existence, seek peaceful coexistence and prosperity and restore the national community through family, cultural and economic exchanges. Only after these steps should they seek political integration.

Mr Rajiv Gandhi: will face the challenge

Zia's son accuses US of death cover-up

By Christina Lamb in Islamabad

THE SON of the late President Zia ul-Haq has accused the US and the Pakistani Government of deliberately covering up his father's death.

Mr Ejaz ul-Haq, a banker turned politician, has demanded a full inquiry into the mysterious air crash last August which killed his father, the US Ambassador, and almost the entire army top brass, including six generals and six brigadiers, returning from watching a tank demonstration.

One year after the Hercules C130 was downed in Bahawalpur, neither the exact cause

nor the possible assassin is known.

Mr Haq believes "the US and Pakistan Governments are deliberately blocking inquiries".

The first report in the US said the crash was an accident, but in October a Pakistan air force inquiry team concluded it was sabotage. They recommended a full inquiry but there has been no follow-up.

With the death of a US government employee, the FBI was in theory entitled to investigate. But the new US Ambassador admits this was blocked by the State Department in the interests of Pakistan's stabil-

ity.

Only after pressure from certain Congressmen was an FBI team sent to Pakistan in May, and according to Mr Haq, they admitted they were not here to find anything.

Initially, the crash was thought to be the work of the KGB. Pakistan's main Afghan policy makers were all of the aircraft, without whose support many believed the Mujaheddin could not have ensured the withdrawal of Soviet troops from Afghanistan.

Others blame the US, which they say had decided Zia was a liability, refusing to soften his

support for the fundamentalists in Afghanistan and making mistakes at home after 11 years in power. The US ambassador was not supposed to be on board.

Mr Haq believes much of the evidence he has gathered points to a terrorist group, although the crash was later referred to as an "act of God".

Whoever was behind the crash, the consensus is it may have been an inside job, as only army personnel would have had access to the aircraft.

Mr Haq says he will soon reveal "startling information".

Gandhi describes opposition party members as traitors

By K.K. Sharma in New Delhi

MR RAJIV GANDHI, India's Prime Minister, yesterday used the occasion of the country's Independence Day celebrations to attack the opposition parties, describing some of their members as "traitors."

He accused them of siding with forces that were trying to weaken and divide the country, and impede its progress.

He also charged the opposition parties with trying to block crucial bills. He said that power brokers, and feudal, obscurantist, anti-national and communal forces had "ganged up" to prevent the strengthening of self-rule institutions, which aimed to let people shape their own destinies.

"We will have to face the challenge thrown up by these forces and we will do it," he added.

The speech is certain to embitter further his relations with the parties that have already resigned from the Lok Sabha (Lower house of Parliament).

Parliament is now in the last week of its

extended monsoon session - probably the last before the next elections are held within six months - which has seen bitter clashes between the opposition and ruling Congress-I parties.

The Rajya Sabha (upper house) is to vote in the next couple of days on controversial bills to amend the constitution. These aim to strengthen local bodies in villages and urban areas - part of Mr Gandhi's strategy for the elections of taking power to the people.

The bills were passed last week by the Lok Sabha without difficulty - due to lack of opposition and the Congress-I's four-fifths majority. But Congress-I lacks the requisite two-thirds majority in the Rajya Sabha to adopt a bill to amend the constitution.

So Gandhi's onslaught on the opposition comes at a particularly delicate time and is certain to be resented by the opposition members in the Rajya Sabha, where they have not resigned their seats.

Indian officials were not immediately available for comment.

Unrepentant Peking edges back towards normality

Peter Ellingsen explains why China's top leader seems to have failed to enforce a return to communist orthodoxy

A SIGN that Peking is returning to something like normal came this week with the reappearance of Hong Kong newspapermen in the Palace Hotel, a plush, joint-venture hotel partly-owned by the People's Liberation Army.

In the aftermath of the massacre these foreign capitalist newspapers now an uncomfortably alongside a rash of official journals which parrot the government's version of the June 4 "counter-revolution" as the propaganda describes the crushing of the pro-democracy movement.

Like the two gold-coloured Rolls Royce limousines outside the hotel, only a few blocks from Tiananmen Square, the newspapermen testify to the paradox facing China's leaders. How do you enforce Marxist conformity while embracing western capital, economic ideas and goods?

In the ideological fervour whipped up to counter democratic ideas, the answer seems to be "with great diff-

culty". The stubborn presence of individualism around the country shows communist party cadres can push citizens into attending political sessions, but they cannot turn them into believers.

The relatively free-wheeling lifestyle fostered by foreign ideas and influences has begun to re-emerge. When the Palace Hotel and the PLA are unwilling to give up their holds on why - it is asked - should citizens abandon their more humble desires?

In Peking too ordinary people appear to have rejected the Government's line that the students were traitors to the nation and remain unmoved by the massive campaign against liberal values. Government films eulogising senior party figures are poorly patronised, audiences for the many TV series putting the official version of the unrest are small, and there appears to be little interest in books attacking dissidents such as socialist Professor Fang Lizhi, still sheltering with his wife in the

US

AMERICAN NEWS

Mulford backs Argentine reforms

By Gary Mead in Buenos Aires

MR David Mulford, US Assistant Treasury Secretary, has given cautious backing to President Carlos Menem's plans to reform Argentina's ailing economy. It is the first indication of US government approval for the five-week-old administration's efforts.

"If Argentina applies the correct measures, opens its economy, makes tax reforms and can privatise, it will be a candidate for support under the Brady initiative," said Mr Mulford yesterday in Buenos Aires.

"I am impressed by the speed with which the Menem government is doing things."

The Brady plan, named after Mr Nicholas Brady, US Treasury Secretary, is designed to alleviate the debt burden on middle-income debtors by reducing debts and debt service. The test case for the initiative is Mexico, which last month came to a preliminary agree-

ment with its bank creditors. Until this week, Argentina had been ruled out of the scheme by US government officials.

Mr Mulford is also believed to have indicated US Treasury readiness to consider extending a credit bridge of perhaps \$500m to Argentina, as part of overall negotiations for financial support from the International Monetary Fund and other multilateral lending agencies.

However, it is clear that his gesture of support, and in particular the reference to Argentina perhaps becoming a candidate for relief on some part of its \$60bn foreign debt, is still tied to the results of President Menem's reform programme.

Soon after taking office President Menem announced an economic emergency programme containing many of the elements mentioned by Mr Mulford as being basic requirements for full US Treasury

backing.

However, that programme has been considerably watered down by opposition in Argentina's Congress and has yet to be put into practice in any of its elements. President Menem's plans are facing obstacles from within his own Peronist party as well as the opposition Radical party.

According to Mr Domingo Cavallo, Argentina's Finance Minister and a trained economist, the country is \$4.4bn behind in interest payments on its overall foreign debt. At the beginning of June this year, US banking institutions were required to write down Argentina's debt to "value-impaired" status, which means in part that substantial arrears payments ought to be paid before commercial banks can lend any more funds.

Nevertheless, a recent two-week visit by an IMF team indicated at least an improve-

ment of relations between the IMF and Argentina, following President Menem's assumption of office on July 1. It is known that the IMF delegation, which visited Buenos Aires to study Argentina's current economic position, was impressed with both the personalities and the programme of President Menem's economic team.

Mr Nestor Rapanelli, Economy Minister and a trained economist, said this week that he hoped further discussions with the IMF would be held before the end of August and that Argentina might soon become eligible for a \$1.5bn IMF stand-by loan.

If that materialised, Argentina would be expected to keep to a strict timetable of economic reforms. There is still considerable scepticism that President Menem's government will be able to keep those reforms on track.

Dialogue with Argentina,

Page 14

Menem cools speculation over military amnesty

By Gary Mead

PRESIDENT Carlos Menem has sought to dampen speculation that he is about to announce a general pardon for military personnel involved in the so-called "dirty war" of the 1970s.

Tomorrow he will travel to Yapeyu in Corrientes province to attend a ceremony marking the death of General San Mar-

tin, one of Latin America's most revered nineteenth century military figures. President Menem was expected to make further speculation that, while the amnesty announcement is not imminent, the decision to make it has already been taken.

There have been reports in the Argentine press that tomorrow Colonel Mohamed

not going to get it." President Menem told local journalists on Monday. He thus generated further speculation that, while the amnesty announcement is not imminent, the decision to make it has already been taken.

That rebellion, prefaced by two others between April 1967 and January 1968, was staged to press home demands for an amnesty.

"You want to get a date from me [for the pardon] but you are

Bush targets drugs as domestic policy issue

By Lionel Barber in Washington

PRESIDENT Bush yesterday opened his campaign to curb drug abuse in America and signalled that he intended to make it a major domestic policy issue over the next several months.

At a White House press conference, Mr Bush said he would unveil early next month a "comprehensive national strategy" to combat drugs. The programme would involve more Federal spending as well as greater international co-operation to check traffic in drugs coming from Latin America.

Mr Bush noted that polls showed that 75 per cent of American people favoured tougher drug laws. "Drug abuse is a national menace and

the central government must attack it with every means at its disposal," he declared.

However, some of the President's own officials are concerned that Mr Bush - who has promised to spend \$60m next year fighting drugs - may be arousing unrealistic expectations of success. President Reagan's "Say No to Drugs" campaign generated much publicity but had little discernible impact on hard-drug abuse, notably cocaine.

The architect of the drug strategy is Mr William Bennett, the Education Secretary in the Reagan administration, who is charged with co-ordinating the activities of numerous agencies.

Hammer wins pardon for election 'misdemeanours'

By Peter Riddell, US Editor, in Washington

MR Armand Hammer, oil magnate and friend of Lenin, has finally found something to champion in the citadel of capitalism.

He has been pardoned by President Bush over his 1976 conviction for making illegal campaign contributions to President Richard Nixon's re-election campaign in 1972.

Mr Hammer, 91, said he deeply appreciated Mr Bush's action in clearing his name. "Having spent my lifetime fighting injustice, this vindication reinforces my abiding faith in the American system of justice."

In March 1976 Mr Hammer pleaded guilty to three misdemeanour violations of the cam-

paign financing laws in giving \$34,000 in illegal contributions to the Nixon campaign. He was sentenced to a year's probation and a \$3,000 fine. The judge said he was not sent to prison because of his ill health; he appeared in court in a wheelchair.

Mr Hammer, the chairman of Occidental Petroleum, has been seeking a presidential pardon for several years. Some prominent businessmen convicted of making illegal campaign contributions in 1972 were pardoned by President Reagan. These included Mr George Steinbrenner, the main owner of the New York Yankee baseball team.

Hills to push US policy before Uruguay Round

By Nancy Dunne in Washington

THE US Trade Representative Mrs Carla Hills, yesterday said that the US current account deficit may "build a little" because of macro-economic factors driving it and the stronger dollar.

Speaking at a briefing, she talked of the need to boost US productivity and domestic savings and said that the Bush administration is discussing proposals for a "well-constructed" individual retirement account programme.

After six months on the job in which she concentrated on fulfilling the requirements of US trade legislation and renewing the steel quota, Mrs Hills is now preparing to embark on a series of foreign trips to preach US policy on trade liberalisation and to learn about the "economic and political problems of our trading partners" in an attempt to push along progress in the Uruguay Round of international trade talks.

Next month she will be meeting with trade ministers in London, Paris, Bonn, Brussels and Bern; two trips to Asia are planned in the autumn. By the end of the year, she hopes each of the 15



Carla Hills: EC subsidies are politically sensitive issue

Gatt negotiating groups will have agreed on texts to guide talks to a conclusion by the end of 1990.

Mrs Hills predicted difficulties in a number of areas, particularly agriculture and intellectual property rights. "We're further ahead in thinking about how to create growth than some of our trading partners," she said.

"The European Community is finding it difficult politically to talk about the elimination of trade-distorting subsidies in agriculture. We think European consumers and farmers would be better off to decouple the production of agricultural goods from payments."

Mrs Hills said the US has met "a number of times" with representatives from India, Brazil and Japan, who she targeted for special negotiations under the so-called "Super 301" provision of the trade law. All three countries have refused to discuss US complaints under threat of retaliation, and other venues for the talks have had to be found.

"All I care about is that we achieve liberalisation in areas where there are restrictions," Mrs Hills said. She implied that progress would be sufficient if the Super 301 targets move to change their restrictive policies in the context of the Uruguay Round.

Mrs Hills said she particularly would encourage the Japanese Government to take strong enforcement measures against collusive practices.

Japan's car sales set for surge

By Kevin Done, Motor Industry Correspondent

JAPANESE car makers are set to capture around 18 per cent of the West European new car market by 1990 compared with 11.3 per cent last year, according to a study by the Economist Intelligence Unit.

The report on the passenger car market in Western Europe says that the Japanese share of the market will rise because of increasing local production by Japanese car makers and imports from Japanese assembly plants in the US.

The share taken will rise rapidly, even if the Japanese industry continues to follow its policy of restraint on direct exports to the EC which was implemented in 1986.

The EU study says that on the basis of current plans around 500,000 Japanese cars and four-wheel drive sports/utility vehicles a year could be built in Europe by 1990, rising higher as Toyota and Honda build up output from their planned assembly plants in the

UK. Imports from other sources will also rise progressively between 1990 and 1995, with imports from South Korea expected to show the biggest increase.

East European cars, led by Ladas from the Soviet Union and Skodas from Czechoslovakia, are also forecast to increase their share from 2.5 per cent last year to around 2.5 per cent in 1990.

The EU study forecasts that overall new car registrations in Western Europe will climb by around 3.5 per cent this year to a record of just over 13.5m.

It suggests that new car prices will rise by less than the rate of inflation during the first half of the 1990s, despite the annual increases of between 15 per cent and 20 per cent recorded in recent years.

Ironically, it is not EC quotas - the bugbear of the past - that most preoccupy Turkey's textile exporters, but lack of support from their government.

The *Passenger Car Market of Western Europe: Developments and Prospects*. The Economist Intelligence Unit, 14 Duke Street, London, W1 1DW. Price £265, West Europe, \$225 N America, £265 rest of world.

account for only 74 to 75 per cent of West European new car sales by 1990, compared with 66.3 per cent last year.

Raw cotton has shot through the roof by 40 per cent in the main buying season between March and May. Again, this is blamed by manufacturers and traders on the Government, for liberalising exports of raw cotton without making provision for domestic stock.

Some financiers argue that market forces are at play, feeding through from a sharp fall in domestic sales due to the introduction of early high-interest rates on deposits which fed through into decreased demand for foreign currency to pay for imports. Added to that, foreign exchange abunds because of the account surpluses.

But the textile exporter's gloom tallies with the general despondency among Turkey's export houses, which the Government phased out the last lucrative export tax rebate incen-

tives in mid-April, and exporters throughout Turkey are feeling the pinch.

On top of this, prices for domestic raw cotton have shot through the roof by 40 per cent in the main buying season between March and May. Again, this is blamed by manufacturers and traders on the Government, for liberalising exports of raw cotton without making provision for domestic stock.

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is riding high. It may not for long.

Ominously, in May total outward visible trade dropped by 14.9 per cent to \$702m, compared with the same month the previous year. Announcement of the May figures by the State Institute of Statistics had been delayed until early August - compared with the usual two-month lag - because of a dispute with the Finance & Customs Ministry, which estimated sales as being much higher at more than \$800 million.

Meanwhile, some companies predict the Government may be forced to institute a mild devaluation in the autumn to stem off the decline. Other than that, revisions in import tariffs, and the new mobility of foreign exchange after recent government moves to make the lira more freely convertible, will bring exports around on their upward track.

To compensate the big foreign trade corporate companies for their previous 6 per cent per cent on top of the old rebate system, the Government will give them

a 2 per cent premium. This is to help these companies retain the business of smaller companies, which exported through them for a slice of the old rebate privilege.

Quotas in the EC and North American markets will still be constraining growth. Seven months into the year, for example, most categories of EC quotas have been used up by 60 per cent and more. The ever-adaptable textile industry in Turkey - perhaps the most profit-motivated with its numerous lowly-paid sweatshops - has been repositioning in recent years to earn the most from quotas by shifting towards better quality and higher value-added in ready-wear.

The association is confident it can overcome the trough. "This is very dynamic sector," says Mr Turner Organ, its secretary general. "In one or two months, the rate of growth will increase again."

Mexico's PRI unveils election law proposals

By Richard Johns in Mexico City

MEXICO'S ruling Institutional Revolutionary Party (the PRI) yesterday announced proposals for electoral reform which are clearly aimed at increasing its share of the seats chosen by proportional representation.

In finally stating its formal position, however, the PRI did not set out to reduce the number of seats allocated by proportional representation - currently 200 out of the 500 in the Chamber of Deputies - as the opposition feared and expected it would.

The PRI is proposing to double the number of senators from 64 to 128, four for each state, with three to be elected by direct majority and one on the basis of proportional representation.

The third proposal is for a strengthening of the powers of the Federal Electoral Tribunal as an independent arbiter. This is in an attempt to eliminate disputes of the kind which ensued after the PRI-rigged general election of last year.

The fourth proposal is to meet in an extraordinary session on August 29 to debate reforms of the Federal Election Law. These have been under discussion during the past six months by a multi-party committee. Any changes have a crucial bearing on the outcome of the mid-term elections in the summer of 1989.

The PRI proposals, if implemented, will involve amendments to at least 11 out of 136 articles of the constitution. But they, in turn, would require approval of a two-thirds majority of the Chamber of Deputies where the PRI has only 260

seats.

Proposals outlined by Mr Luis Donaldo Colosio, national president of the PRI, for strengthening the powers of the Electoral Tribunal do not seem to meet the demand of the opposition that it should be an autonomous body divorced from the PRL.

Last week the Party of the Democratic Revolution proposed that 200 of the members should be elected under the system of proportional representation, which in the last general election favoured the opposition parties and helped them to win 240 seats.

Bolivia's political odd couple search for unity

Barbara Durr on the task facing President Paz and his ally, the former military dictator who once imprisoned him

harshly until 1978. Among those imprisoned and exiled during his regime was Mr Paz. Mr Paz, on the other hand, is trying to distance himself from his radical Marxist beginnings, which were the key to his founding of the formerly leftist MIR in 1971.

Gen Banzer appears to be the power behind the throne. He presides over the Government's chief policy-making body and his party has nine of the 18 ministries, including Finance, Defence, Foreign Affairs, Mining and Agriculture.

To boost confidence in his government President Paz and his ministers have repeatedly said that they will not change the successful economic programme of the former government. The exact rate for the Boliviano, the local currency, will continue to be set by the free market. Tiffs are to remain low and there will be no printing of money to cover greater state spending.

Mr Banzer aims to increase government revenues by gradually raising taxes and prices for basic goods such as petrol as well as trimming the number of public employees and privatising some state companies.

If there is more social spending, as President Paz has promised, it will have to come from health, education and basic development projects supported by multilateral banks.

Bolivia intends to maintain its programme with the International Monetary Fund. Although the IMF only contributed \$25m to the programme, its approval of Bolivia's economic progress helps to maintain financial confidence.

Mr Enrique Iglesias, President of the Inter-American Development Bank, pledged that his institution could disburse \$40m for development projects to the new Bolivian government over the next four years.

Meanwhile, foreign investors will be looking for proof that Bolivia will continue its conservative economic management. The country's widely admired example of having made a difficult economic adjustment while preserving democracy is a tough act to follow for Mr Paz.

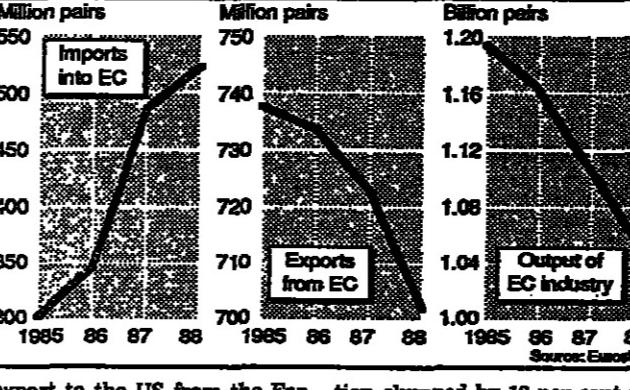
JKS/SJ

WORLD TRADE NEWS

European shoe industry fights for survival

Alice Rawsthorn reports on the results of rising competition from the Far East

European shoe industry





AN OPEN LETTER FROM THE CHICAGO BOARD OF TRADE

For more than 141 years the Chicago Board of Trade and our members have made the integrity of our markets the first and most important priority. Our wide range of international customers have found that the Chicago Board of Trade agricultural, government debt and other markets allow them to discover the world price and transfer their risk. The relationship that we have developed with our customers was born out of our commitment to provide the most liquid and honest markets.

In the wake of the recent federal grand jury indictments, we are faced with the challenge to preserve the confidence in our markets.

We have never tolerated violations of our rules or abuses of our customers. We view these charges most seriously. The Chicago Board of Trade will investigate any and all charges. Disciplinary action will be taken against those individuals, if found guilty, to the fullest extent of the Exchange's authority.

Last January the Board of Directors took immediate action after the investigation became known, to ensure that allegations of this kind never again could be made at the Board of Trade. These actions significantly strengthened our surveillance program and disciplinary functions. To that end, the Board dramatically enhanced our computerized surveillance system and today we audit 100% of all transactions that occur on our exchange.

The Chicago Board of Trade and its more than 3500 members are resolved to take any and all steps that are necessary to assure our customers that our markets will remain honest and efficient, and function with the utmost integrity. We have earned the respect and business of our customers for nearly a century-and-a-half and we are dedicated to continue to merit their confidence.

A handwritten signature in black ink, appearing to read "Karsten Mahlmann".

Karsten Mahlmann
Chairman

A handwritten signature in black ink, appearing to read "Thomas R. Donovan".

Thomas R. Donovan
President & Chief
Executive Officer

LaSalle at Jackson
Chicago, Illinois 60604
312 435 3500

UK NEWS

Auditors claim inefficiency may impede NHS reform

By Tom Lynch

THE NAO of local health authorities to manage their finances properly may impede the Government's plans for reform of the National Health Service, the National Audit Office (NAO) warned in a report published yesterday.

The report on the performance in 1987-88 of health authorities which manage the state-run health system in England painted a gloomy picture of lack of financial control at all levels, a shortage of skilled finance staff and an inability to deal with deficits run up in previous years.

The NAO, the Government's official accounting watchdog, said yesterday the controversial reforms planned by Mr Kenneth Clarke, the Health Secretary, would call for greater financial expertise than the report found to be present.

Taxpayers' funds "are not being managed very well" — it was "amazing" that some districts would still not have income and expenditure in balance by March 31 next year, the NAO added.

The report indicated that national targets for particular forms of treatment may have to be abandoned — in particular, Government priorities such as hip operations might



Clarke: threat to reforms take second place to maintaining existing services.

Among shortcomings identified in the report were poor quality financial data; diversion of capital funds into revenue spending; delaying maintenance work to make short-term savings, thus increasing long-term liabilities.

The report estimated the total overspend by health authorities at about £50m, but stressed that there appeared to be further scope for economies.

However, the deferral of capital programmes could delay rationalisation of health authority estates.

US companies join British Aerospace in telecom licence bid

By Hugo Dixon

BRITISH Aerospace has formed a consortium with three international telecoms groups to bid for one of Britain's new personal communications licences.

The consortium is the latest to enter the fray of what promises to become one of the most competitive battles for a licence ever awarded by the British Government. Personal communications are designed to create a mass market in mobile telecommunications and each franchise is potentially worth more than a billion pounds.

Other members of the British Aerospace-led consortium are Pacific Telesis, one of the US "Baby Bell" telecom operators; Millicom, the US mobile communications group which helped Racal Telecom win its original application for a cellular licence; and Matra, the French telecoms manufacturer.

Lined up against the British Aerospace group so far are three other powerful British-led consortia: one led by the General Electric Company, the UK electronics group, and Plessey; another by STC and Thorn EMI; and a third by Mercury Communications. Mercury has already been promised a licence, and there are only one or two to go around the others.

The GEC/Plessey group — which also includes BellSouth, another of the Baby Bells — has been making an effort to beef up its team by persuading the Bundespost, West Germany's state-owned telecoms operator, to join them.

This would be a coup, since the Department of Trade and Industry is understood to be keen on having the Germans involved to increase the chances of personal communications being adopted throughout Europe. At present, there

The NAO report comes on the eve of today's launch of a campaign by the opposition Labour Party against the Mr Clarke's proposed NHS changes, and a week after the cross-party Commons Social Services Committee expressed concern about the proposed pace of reform.

The report, based on visits to 18 districts in three regions, estimated that delaying payments to suppliers had increased the level of creditors nationally by 60 per cent to £380m between March 1983 and March 1987.

It also found some authorities starting the financial year by improving services, then resorting to bed closures when difficulties arose.

The National Association of Health Authorities said the report highlighted the dilemma of health managers when having to make choices between investing in direct services for patients or using money to develop effective financial management systems.

Mr Clive Minty, chairman of the national service managers' body HfMA, said all the issues highlighted by the NAO were being dealt with.

Financial Management in the National Health Service (HC 565). HMSO: £5.30.

BA cabin crew plan disruption

By Jimmy Burns, Labour Staff

EUROPEAN air travel faces further disruption in the peak summer season from a strike threatened within the next 12 days by British Airways cabin staff, who are members of the TGWU transport union.

The cabin staff, whom the union told yesterday to prepare for a strike in support of a sacked colleague, operate 400 inward and outward BA flights daily within the UK and to European cities. On average, these flights carry 40,000 passengers.

BA said it hoped to "maintain the integrity of its services," because it expected many of its short-haul cabin staff not to support the strike.

In a ballot result announced by the TGWU on August 4, cabin staff voted by 1,063 to 543 for strike action. Under the Government's legislation a strike call is invalidated unless action takes place within 28 days of the ballot result being cleared.

BA indicated, however, that even a partially successful strike could force the company to cancel some flights.

The company's "contingency plan" includes aircraft substitution on some routes with the wider-bodied Tri-stars replacing the smaller 737s and 757s on European journeys — the deployment of minimum crews, and the temporary scrapping of in-flight catering on domestic flights.

BA also said managers could substitute for cabin staff on some flights, including Concorde.

Telepoint is designed to make the telephone both redundant by allowing people to make calls from within 100 metres of radio base stations, thousands of which will eventually dot the country.

Although it has fewer features than cellular communications, telepoint has two main advantages. The handsets are lighter and small enough to pop inside your pocket. The service is also much cheaper.

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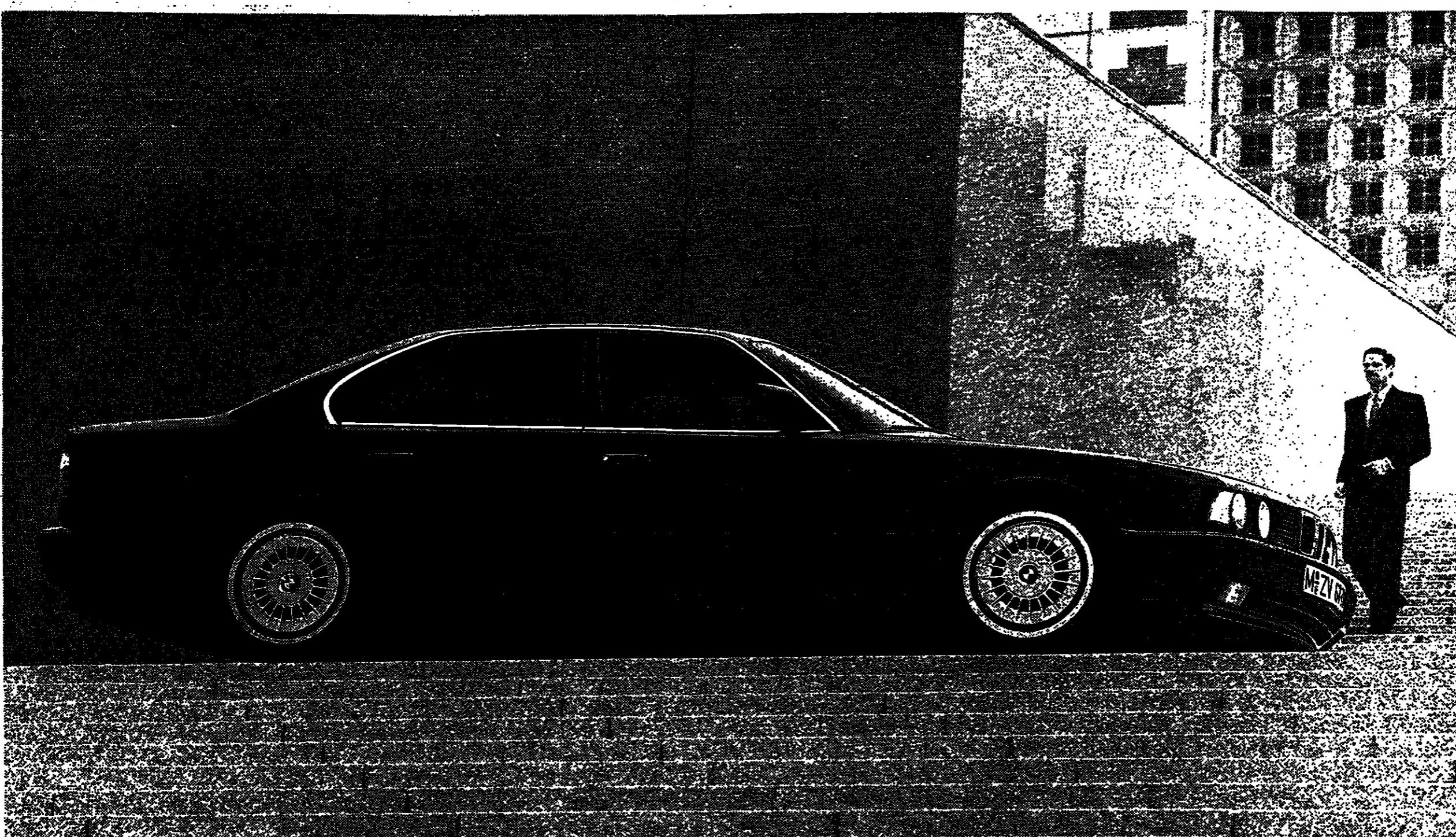
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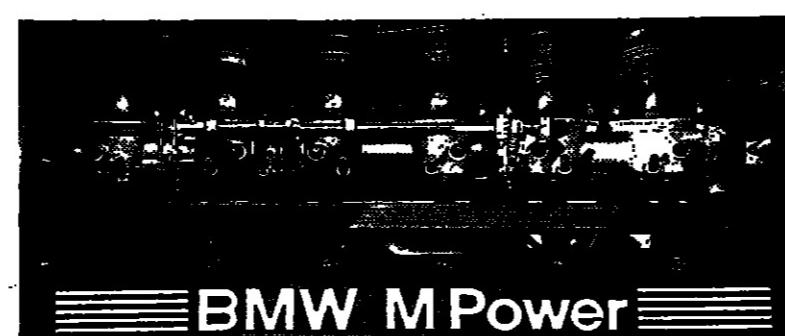
The M power engine is manufactured by BMW Motorsport GmbH and represents the ultimate in quality as applied to the achievement of high performance. The high power concentration of the

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Interested candidates should call Karin Clarke on 01-831 2000, or write to her at Michael Page City, 39-41 Parker Street, London WC2B 5LH.

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A professional with at least 5 years broad-based, international trading experience, preferably in a trading house. Successful applicants will be outgoing, articulate and experienced in structuring, arranging and negotiating integrated countertrade programmes:

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- switch transactions
- bi-lateral clearing

Fluency in one or more languages would be a distinct advantage.

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Standard Life

JOBS

What happened to last summer's graduates

By Michael Dixon

Where the new degree-winners went:

	1988	% of total	1987	% of total	Change (+ or -)	1988	1987	Change (+ or -)	1988	1987	Change (+ or -)
Total gaining bachelor's degrees	116,757	100.0	114,667	100.0	+2,090	26,134	26,361	-227	16,664	16,307	+357
Whereabouts unknown at December 31	14,272	12.2	14,145	12.3	+127	2,620	2,628	-8	1,684	1,618	+66
Returned or moved overseas	8,026	6.9	7,035	6.1	+991	1,165	1,067	+98	2,094	1,966	+133
Further academic study in UK	8,740	7.5	8,455	7.4	+285	4,184	4,187	-3	1,093	1,104	-11
Teacher-training	3,950	3.4	4,428	3.9	-478	1,033	1,321	-288	81	86	-5
Other training	7,815	6.7	7,824	6.8	-9	727	738	-11	308	305	+3
Administrative and managerial work	5,630	4.8	5,754	5.0	-124	1,023	1,089	-46	642	678	-36
Research, design and development	9,164	7.8	8,759	7.6	+395	2,357	2,226	+131	4,680	4,510	+70
Engineering and science support work	1,286	1.1	1,230	1.1	+56	732	759	-27	356	354	+2
Environmental planning	3,377	2.9	2,882	2.5	+515	119	99	+20	2,500	2,134	+366
Buying, marketing and selling	5,261	4.5	5,098	4.5	+163	934	861	+73	342	362	-20
Management services	4,476	3.8	4,388	3.8	+87	2,630	2,910	-80	703	597	+111
Financial work	9,332	8.0	9,825	8.6	-493	2,123	2,202	-79	664	927	-263
Information, library and legal work	1,488	1.2	1,238	1.1	+202	172	148	+24	28	25	+3
Personnel and welfare services	9,531	8.2	9,585	8.4	-54	1,797	1,771	+26	97	100	-3
Teaching and lecturing	5,821	5.0	5,788	5.0	+33	142	168	-26	20	28	-8
Other kinds of work	4,828	4.0	4,217	3.7	+411	785	710	+55	247	206	+41
At best short-term UK job at Dec 31	14,070	12.0	14,036	12.2	+34	3,411	3,499	-88	1,115	1,207	-92

So what they did to occupy themselves is something that none of the taxpayers who largely paid for their studies can know.

But the next biggest group – far greater than the numbers accounted for by any type of longer-term activity – is at the foot of the table labelled: "At best short-term UK job at Dec 31".

That group consists of three sets of people. The first were unemployed. The next were in a post expected to last no more than three

months. The others were not available for employment at all, as distinct from having returned to an organisation which had kept them on its payroll during their studies.

If Britain's economy is really endangered by a lack of graduates, the apposite question is why it fails to employ so many of those the higher education system turns out already. But it is a question that, as far as I can see, none of the pundits advocating higher production has chosen to address.

Should they happen to be reading, I'd be most grateful if they would resolve the paradox before next summer brings it back yet again.

The newcomer will be responsible for setting up a new marketing function in the subsidiary, devising strategy and tactics for growth, and for revitalising the present UK and export sales operations.

Candidates should have risen to management in marketing in companies with

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Salary around £26,000 plus bonus expected to add at least 2% per cent more. Car among fringe benefits.

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Paris

NEXT TO a job with an American bank in Paris, which is offered through Neil Salt of the Lloyd Chapman Associates consultancy. He seeks someone with at least five years' experience of trading the government bond and futures markets, specifically in D-marks and Dutch guilders, to join the bank's small arbitrage team.

Candidates should already be responsible for a large trading position and be fluent in German as well as French and English.

No salary is quoted, but my estimate would be about FF600,000, with bonus on results. Fringe benefits negotiable.

Inquiries to Mr Salt at 160 New Bond St, London W1Y 0HR; tel 01-409 1371, fax 01-491 7459.

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Berkshire, RG12 1EB.
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3 LONDON WALL BUILDINGS, LONDON WALL, LONDON EC2M 5PJ. TELEPHONE 01-588 3588 or 01-588 3576. TELEX: 887374. FAX: 01-256 8501.

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You should have good communication and interpersonal skills being able to work well under pressure and to tight deadlines. A practical, self-motivated approach will also be required.

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In the first instance, please send full personal and career details in confidence, to Karen Petersen, Personnel, The Bank of Nova Scotia, 33 Finsbury Square, London EC2A 1BB.



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We seek exceptionally bright articulate and motivated candidates aged 25-32 years old, preferably graduates. Candidates must have gained their lease marketing experience from within the corporate finance or high-value division of a major Finance House, International or Merchant Bank. In addition to an attractive initial base salary the company offers an UNCAPPED BONUS SCHEME providing a true reward orientated environment plus quality car, mortgage etc. OTE £40-£50,000+.

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This international bank seeks a Junior Marketing Officer to work with major UK corporates and in International Finance. The ideal candidate will be under 30, an experienced credit analyst or graduate with a lending background and perhaps some marketing experience. Ref: MH

Account Executive - UK Sector

Slightly Neg. An experienced credit analyst probably a graduate, is sought by this major European bank to join their team working with UK subsidiaries of European corporates. Full support and excellent prospects for the right candidate who will be in their late 20's and have management potential. Ref: MH

Swaps Dealer

Slightly Neg. A leading and highly credit rated American Investment Bank is presently seeking an additional (IRS) SWAPS dealer to join its small but very profitable risk management team. The ideal candidate will have an outstanding academic record and at least 2 years' experience and to return will receive a very generous package and strong career opportunities. Ref: SS

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FT LAW REPORTS

Digest of cases reported in the Trinity Term

FROM JUNE 27 TO JULY 19

Oriental Maritime (PT) Ltd v Ministry of Food, Government of Bangladesh (FT, June 27)

Cause #2 of the printed charterparty form provided "It is mutually agreed that this contract shall be completed and superseded by the signing of bills of lading which shall be deemed to incorporate the above clauses . . ." The charterparties were made between the disponent owners and the subcharterer while the bills of lading were between the registered owners and the bills of lading holder. The arbitrators concluded that the disponent owner could not pursue its claims before them, as they had no jurisdiction over the bill of lading contracts. Allowing the disponent owner's appeal, the Court of Appeal stated that the very concept of a supersession of a contract by a further contract implied that the contracts would be between the same parties. A contrary construction resulted in the conclusion that the disponent owner, by agreement, should forfeit valuable rights which a carrier normally had against charterers, without receiving any other enforcement rights against the charterer in return.

Unilever plc v Gillette UK Ltd (FT, June 28)

Unilever contended that Gillette UK infringed its UK patent in an antiperspirant invention by bringing in and marketing an ingredient, "Apache", supplied by its US-parent company, Gillette Boston. Unilever therefore sought to amend its statement of claim against Gillette UK and serve a writ on Gillette Boston, outside the jurisdiction. Allowing Unilever's appeal against a first instance decision refusing leave to serve the Court of Appeal stated that the court was not concerned at this stage to try the issue of jurisdiction. Its task was simply to consider whether, when the undisputed facts were set in the context of a full exploration of the background, Unilever had a "good arguable case to advance before the judge to the effect that there was a meeting of minds between the two companies with a view to furthering the sale of products containing Apache in the UK. It was clear that they could advance such a case which was appropriate.

therefore, in principle for the grant of leave under Order 11.

AMI Holdings Inc v Agier (FT, June 30)

The present application related to documents in the liquidator's possession to which rights of confidentiality and privilege did not apply. One of the creditors, AMI, sought a direction that save under compulsion of law, the liquidator should not disclose to another creditor any documents or information except other than for the purposes of the liquidation. Refusing the application, Mr Justice Warner held that helping one creditor in the pursuit of its claims might be the price that AMI had to pay in pursuing its own claims. However, the liquidator should be indemnified against the cost of supplying the documents by the creditor who requested them.

Royal Ordnance plc v Pilkington (FT, July 4)

When Mr Pilkington applied for full redundancy payment, the company, which succeeded the Ministry of Defence as his present employers, offset the pension benefits he had earned from the MOD. The question turned on the proper construction of Regulation 4(1) of the Redundancy Payments Pensions Regulations 1985 that apply where an employee who would be entitled to a redundancy payment from an employer had the right to a pension "which . . . is to be paid by reference to the employee's last period of continuous employment with that employer; (b)(i) if it is a lump sum it is to be paid, or (b) if it is a periodical payment it is to begin to accrue at the time when the employee leaves the employment with that employer or within 90 weeks thereafter." Allowing Mr Pilkington's appeal from an Employment Appeal Tribunal decision that his employer was entitled to make the set off, the Court of Appeal stated that he had received his pension in June 1985 when the lump sum was paid and when the periodical payments began to accrue. That happened before he left the company's employment. It followed that the pension he received from his service with the Ministry of Defence did not fall within regulation 4(1)(a). Both conditions had to be satisfied.

Kapur and Others v Barclays Bank plc (FT, July 5)

As a result of the Africanisation policy in East Africa in the 1970s, the applicants - who were all of Asian origin - lost their jobs with the local banks. They were taken on by Barclays Bank in the UK with the proviso that any pension that the bank granted would not take into account previous years of service with Barclays banks abroad. The applicants contend that the proviso was discriminatory under the Race Relations Act 1976 and that the three-month time limit for bringing an action under s.88(1) did not apply because the discriminatory act extended over a period and so should be treated "as done at the end of that period" under section 88(7).

Allowing their appeal against an EAT decision upholding an industrial tribunal ruling, on a preliminary point, that it had no jurisdiction to hear the complaint, the Court of Appeal stated that the right to a pension formed part of the overall remuneration of an employee. If his pension entitlement could be shown to be less favourable than that of other employees, that disadvantage continued throughout the period of his employment and therefore fell within section 88(7).

Richard (H M Inspector of Taxes) v J Lyons & Co Ltd (FT, July 7)

Four properties were acquired by the taxpayer well before April 6 1985 when capital gains was introduced. Each property ceased to be used for trade purposes and was then let for several years before being disposed of in 1979/1980. While section 38(1) of the Finance Act 1985 (now section 115 of the Capital Gains Tax Act 1979) provided for rollover relief where consideration for the disposal of old assets used throughout the period of ownership was applied in acquiring new ones, section 38(8) provided that if the old assets were not used for trade throughout, part of that asset

should be regarded as a separate asset, representing its use "having regard to the time and extent" to which it was so used. In allowing an appeal by the taxpayer that the apportionment of chargeable and non-chargeable gain for rollover relief was to be calculated as though the gain had begun before April 6 1985, the Court of Appeal stated that (1) there was plainly part-performance by Greendon on the payment of £15,000 so even though there might not have been a sufficient memorandum of all the terms to satisfy section 40 of the Law of Property Act 1925, Greendon could still enforce the agreement; and (2) as Greendon had insisted on an immediate sale as a condition of the transaction, the intended arrangement was not a lending transaction but an absolute sale with an agreement for repurchase. Thus the vendor did not have a right of redemption as in the case of a mortgagor.

Re Lourho plc (FT, July 11)

Lourho plc sought an order freezing its shares in which certain companies were interested under section 218(1) of the Companies Act 1985. However, Lourho had no complaint against the chargees and wished to agree terms with them that would except them from the restrictions so that they would be free to enjoy their rights as secured creditors.

In holding that the court had no jurisdiction to make such a halfway house form of order," Mr Justice Peter Gibson stated that there was no doubt that the court had a discretion whether or not to make an order. But it did not follow that the court had a discretion as to the form of the order. On a literal reading of the unambiguous language of section 218, Parliament had clearly laid down the form of an order, namely, to direct that the shares be "subject to the restrictions in Part XV." It would be remarkable if the court could arrogate to itself the jurisdiction to make an order, not merely in a different form but one which ran counter to the express wording of the restrictions.

Greendon Holdings Ltd v Oragni (FT, July 12)

The defendant, who was in financial difficulties, sought to borrow money from the plaintiff, Greendon, a licensed credit broker and an experienced lender. A draft contract for

salary was agreed when the sale price was set at £70,000 and a deposit of £15,000 was forthcoming with an option for the defendant to redeem within two months on repayment of the deposit. The money was spent, the contract for sale was never completed and the option to repurchase not exercised. Greendon successfully claimed specific performance. Dismissing the defendant's appeal against the order, the Court of Appeal stated that (1) there was plainly part-performance by Greendon on the payment of £15,000 so even though there might not have been a sufficient memorandum of all the terms to satisfy section 40 of the Law of Property Act 1925, Greendon could still enforce the agreement; and (2) as Greendon had insisted on an immediate sale as a condition of the transaction, the intended arrangement was not a lending transaction but an absolute sale with an agreement for repurchase. Thus the vendor did not have a right of redemption as in the case of a mortgagor.

Regina v Inland Revenue Commissioners, ex parte MFK Underwriting Agents Ltd (FT, July 14)

After the defendant bank closed its UK offices by March 31 1987, the winding-up activities were carried on by two employees from the State Bank of India. In August 1987 the bank delivered to the Registrar of Companies two returns authorising the two employees as accepting service on its behalf. Both had left for India by February 1988. On December 31 1987 the bank requested cancellation of its registration and the Registry's file was closed on January 1988. On January 24 1988, the plaintiffs issued a writ which was served at the State Bank's offices in an envelope addressed to one of the employees. Dismissing the bank's appeal against a refusal to set aside service, the Court of Appeal stated that effect had to be given to s.205(1) of the Companies Act 1985, which provided that "any process to be served on an overseas company is sufficiently served if addressed to any person whose name has been delivered to the Registrar."

The Wise (FT, July 18)

A cargo of motor spirit was short-shipped according to the bills of lading faxed by the sellers, Vitol, to the buyers, Esso. Then the day after the vessel sailed it was hit by a missile

salvo in the Gulf war. Esso did not raise the point of short shipment but considered action for late delivery. Thereafter Esso's solicitors wrote that the problem should be dealt with on a "without prejudice" basis and, as a result, agreement was reached with Esso being willing to take delivery and arrange on-carriage under the sale agreement. Inter alia Mr Justice Leggett ruled that Esso would have been entitled to reject the cargo on grounds of shortfall. Allowing Vitol's appeal, the Court of Appeal stated that Esso had been in possession of documents which made the shortfall obvious but, notwithstanding, two weeks later it had advanced its case not founded on that issue. Two weeks later still it had signed an agreement which defined the dispute in terms, again without reference to the short shipment so that Esso ought not to be permitted at this stage to rely on that fact.

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Regina v Inland Revenue Commissioners, ex parte MFK Underwriting Agents Ltd (FT, July 14)

Some 62 issues of index-linked bonds were made mostly in American but some in Canadian dollars and were widely bought by Lloyd's underwriting agents on behalf of their syndicates. Confirmation was sought from Revenue officials that gains on disposal, end year revaluation, or redemption would be treated as capital gains and not chargeable to the higher income tax rates. The applicants relied on the confirmation of the Revenue response that redemption would be assessable to capital gains tax although the Revenue made clear that it had not given a ruling and the confirmation was not given in writing. Subsequently the Revenue assessed that the capital component was income and should be taxed as such. In refusing judicial review of the Revenue's decision, the Queen's Bench Division held that the correspondence had not created a legitimate expectation that the Revenue would not tax later issues of bonds on what it believed to be correct principles whether that accorded with earlier expressions of opinion or not.

Aviva Golden (FT, July 18)

This digest of Trinity Term cases will continue on Friday.

LEGAL NOTICES

NOTICE OF APPOINTMENT OF JOINT ADMINISTRATIVE RECEIVERS

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Reg. No. 204201

CURTAIN DREAM LIMITED

Reg. No. 222423

DREAM UPHOLSTERY LIMITED

Reg. No. 231672

ROBERT PEEL CONSTRUCTION LIMITED

Reg. No. 224104

RENAISSANCE FABRICS LIMITED

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DREAM CREATIVE STUDIOS LIMITED

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DREAM LAMPSHADES LIMITED

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HIGHGROVE UPHOLSTERY LIMITED

Reg. No. 222323

CURTAIN DREAM FITTING SERVICES LIMITED

Reg. No. 230774

CURTAIN DREAM MANUFACTURING LIMITED

Reg. No. 230851

Notice is hereby given that M J Moore and D J Waterhouse of Cork Gully, Albion Court, 5 Albion Places, Leeds LS1 6JP were appointed Joint Administrative Receivers by Barclays Bank on 24th July 1989 under the terms of various debentures.

M J Moore and D J Waterhouse
Joint Administrative Receivers

8 August 1989

Cork Gully
Albion Court
5 Albion Places
Leeds LS1 6JP

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- ii) AS 100,000,000 Guaranteed Floating Rate Notes Due 1993.
- iii) AS 100,000,000 Guaranteed Floating Rate Notes Due September 1993.

that as of 18th July, 1989 Sanwa Australia Leasing Limited changed its name to Sanwa Australia Finance Limited. The above-mentioned Notes will remain listed under the previous name but followed by the new name. Each new notice to Noteholders will contain both names. The Notes will not be stamped or exchanged for new Notes. A complementary legal notice as well as amendments on the statutory documents have been lodged in Luxembourg.

LEGAL NOTICES

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Date of appointment: 8 August 1989

Name of appointor: Yorkshire Bank Plc.

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How AFP has been 'coaching' Gestetner back to health

Vanessa Houlder explains that the UK maker of stencil duplicators, backed by its Australian shareholder, has set out to exploit the strengths of its international distribution system

For many years, Gestetner had the dubious accolade of being one of the most distinguished but old-fashioned names in the office equipment business.

While other companies perfected the high-speed copier, Gestetner was renowned for the stencil duplicator - a cumbersome device for churning out scores of identical documents.

This out-dated product has been at the heart of a fundamental dilemma about Gestetner. Was it a sleeping giant with a bright but under-exploited brand name and distribution network? Or was it a company with no products that has been hopelessly left behind in a bitingly competitive industry?

The second view seemed increasingly probable as Gestetner struggled to reverse the decline that took it from a profit of £30m in 1977 to a loss of \$2m five years later.

There was, however, little doubt about the group's potential in the view of AFP, an Australian investment company, which entered the scene in November 1986. AFP offered to inject £14m in return for a 15 per cent stake and a right to subscribe for new shares that could take its stake up to 55 per cent by the end of 1989. As a result, it took over management control from the Gestetner family, which had run the company for the previous hundred years.

AFP describes itself as a new type of investment vehicle, avoiding the hostile tactics of raiders like Ron Brierley and Robert Holmes à Court. "We wanted to be a supportive shareholder. We would work with the company and look only for capital gains and not for dividends," says Basil Sellers, the 53-year Australian textiles magnate who runs

AFP and is chairman and chief executive of Gestetner.

When AFP talked of Gestetner's "tremendous future", however, its enthusiasm was met with some scepticism among company observers. For one thing, even some of the leaders in the field were finding the office equipment market hard going.

Furthermore, Gestetner had seen recovery attempts before. In 1983, the company had slashed costs and put greater emphasis on distribution at the expense of certain manufacturing operations. It stopped developing its own photocopiers and started to distribute Japanese copiers made by Mita.

At the same time, it tried to develop a desk-top publishing machine. But although the cost-cutting measures led to an apparent improvement in 1985, profits once more declined in the following year.

However, AFP was undeterred. In its view, Gestetner had an outstanding brand name and worldwide distribution network, dragged down by an overbearing head office. "Our first thought about the company was to dismantle the bureaucracy and decentralise it," says Sellers.

Before long, it had sold off its 14-acre head office in Tottenham, north London, and sacked 270 administrative staff. In its place, it established a small head office in London which dealt with tax, treasury management and accounting, while all other decision making was pushed down to the regions.

AFP aimed to strike a middle path between the extremes of taking all strategic decisions at head office and the thorough decentralisation found, for example, in Hanson, the industrial conglomerate. "We have a coach role," says Greg Melgaard, deputy chairman, who is

a former consultant at McKinsey. "We help regions think about strategy. If they reject our support - say, by rejecting non-core products - and continue to do well, that is acceptable."

At the same time, AFP tried to tackle the lack of marketing thrust in the company. Despite the layers of senior management, there were no directors with responsibility for specific products.

So the question of how to get regional directors to take advice on products under the new structure was a sensitive one. "We could have recruited three product directors and they would have been murdered," says Melgaard. "We have put on a totally new management technique."

Hie solution was to allocate responsibility for a product to each regional director. This way, he reasoned, they would have sufficient credibility and status to influence other directors.

"It worked fantastically well," he says. "It is the only way consistent with really putting responsibility down to line managers."

Otto Flum, aged 39, combines responsibility for offset and stencil machines with being a regional managing director for Central, Southern and Eastern Europe. He endorses AFP's policy, suggesting that responsibility for day-to-day operations in the field makes product directors less likely to dream up unrealistic plans.

Flum, who has been with the group for 17 years, points to a general shift in philosophy throughout the company. "In the past, we were much more administrators than businessmen. Products were produced in the UK and distributed to the countries and no entrepreneurial role was really necessary."

Flum blames the company's early problems in marketing Mita copiers on an ethos that stressed defence of market share. AFP's arrival marked a shift to a far more aggressive attitude, aided by more resources and a greater flexibility on the payback period of the marketing campaign.

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Basil Sellers' first thought was to decentralise the bureaucracy

result, it believes it has a classic product portfolio.

Gestetner believes that the range is complete - allowing for variations on the themes, such as its new Copy Printer, which is a hybrid of a photocopier and a stencil duplicator. "We are satisfied that no major new products will be required to achieve our ambitious growth objectives for at least the next three years," says Flum.

But although Gestetner may have rounded out its range, its new products have not been without problems.

In 1987, it embarked on a joint venture, with Impact Systems of Australia, to distribute laser printers. In April 1988, Impact went into receivership, with accumulated debts of £11.7m. Although highly embarrassed by the incident, AFP bought the assets from the receivers and it now believes it has a good product.

Accordingly it pushed the proportion of equipment sales sourced from outside up from 62 per cent to 71 per cent over two years. Gestetner's product review got under way at the start of 1987, and prompted it to add fax machines and laser printers to its range. As a

result, it believes it has a classic product portfolio.

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The fax market may also present problems. Its phenomenal growth of the past four years has slowed significantly in the last six months and Gestetner admits it has suffered price degradation at the low end of

the market. Also it has not yet been able to tie up a sole agency agreement with a manufacturer, which would bring with it a price advantage, security of supply and participation in the design process.

The acquisition may fill an interesting role for Gestetner, which may have to come to terms with selling more lower margin products. This is the view of Flum. "I do not think that we will gain a lot by improving on margins. The real challenge is to enlarge our business, add on products and improve distribution channels," he says.

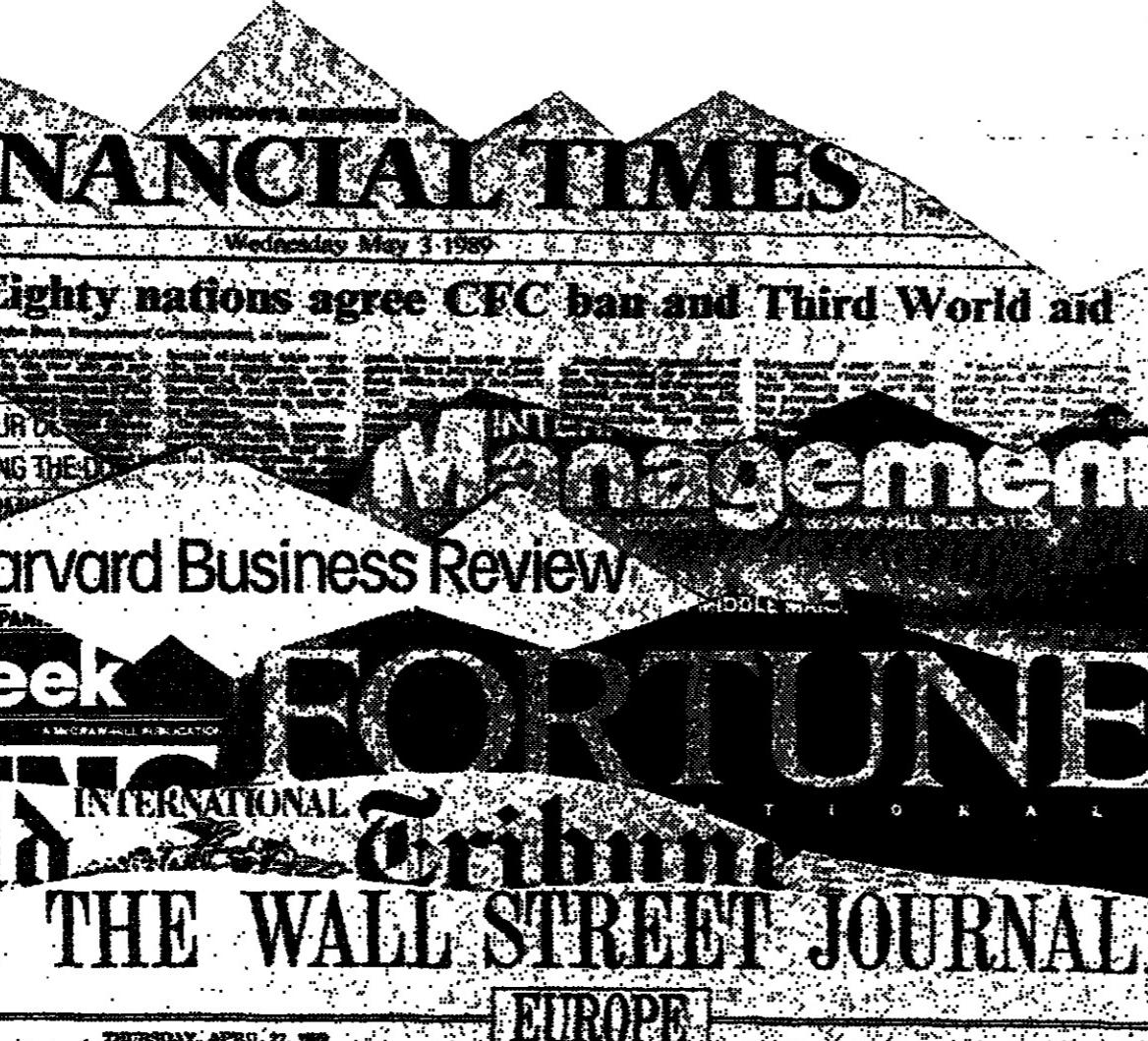
Gestetner should give Hamimax alternative distribution channels as well as new products. Whereas Gestetner is primarily based on a direct sales force - the best technique for service intensive goods, Hamimax's products are sold through distributors, which are more suitable for lower margin goods.

Accordingly, Gestetner envisages selling relatively low cost items such as personal copiers and personal fax machines through Hamimax.

Hamimax though is only a start. Gestetner - capitalised at £16.5m - has made plain that it intends at least to double its size through acquisition. Whatever the changes of the past two years, the future is likely to be even more tumultuous.

In some respects, this is a daunting prospect. "The easy stuff is done. Now it gets harder," says Jane Anscombe of BZW. But Sellers, who underlines AFP's commitment to Gestetner, is optimistic. "Gestetner has a tremendous future. So far we have only scratched the surface," he says.

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Preparing for 1992

Ransomes takes an incisive approach

Tim Dickson reports on the exemplary attitude of Europe's largest grass-cutter maker to the opportunities offered

A ny small or medium sized British company weighing up the implications of Europe's single market could do worse than drop in on Sandy Cameron, company secretary of the Ipswich-based engineering group Ransomes Sims and Jefferies.

Appointed "Mr 1992" by his chief executive Bob Dodsworth early last year, Cameron gets high marks for his professional approach to the job from the author of a new 77-page practical management guide published by the Brussels-based consultancy Comark Rowland.

Through a series of case studies Comark's booklet illustrates a variety of the challenges - from recruitment and distribution to marketing and R&D rationalisation - faced by companies entering the fray for the first time or expanding their operations inside the enlarged European market place. But it is the "paying attention to detail" at Ransomes - Europe's largest manufacturer of grass-cutting machinery for the professional user, with an turnover of £22m

- which is held up as one of the most useful models from which others can learn. Cameron essentially followed the action checklist issued by the Department of Trade and Industry, which he sent to each departmental manager as a means of identifying weaknesses and strengths and drawing up an action programme for the company.

This covers questions of general policy and marketing though at times Cameron and his team supplemented the DIT approach with their own questions. On finance, for example, they asked: "What are the effects on profit and loss

account, balance sheet, and cash flow, of the wider market?" with sub-headings such as additional transport costs, sales promotion, changes in sales terms and multi-currency invoicing.

The section on personnel is also highlighted in Comark's account, including the question "Should Ransomes consider changing organisational or extending our operating bases or opening new ones in the light of skills availability, labour costs and continuing changes in national employment legislation" in the European market?

Among the comments on marketing was one stressing the need to improve market

It is the 'painstaking attention to detail' at Ransomes which is held up as one of the most useful models from which others can learn.

information by extending surveys on French and German golf courses to the other countries of the EC, while the company's summary on information technology pointed out that changes to the computerised stock and delivery system had to take into account as well as other requirements.

A detailed progress report last November showed that priority was being given to language skills among staff, that emphasis on the computer side was being given to the development of a suitable order processing system to meet the needs of the single market, and that new efforts were being

made to evaluate market conditions and needs post-1992. "This is a long-term project and until our policies are clear, many other issues cannot be resolved," wrote Cameron.

Cameron's comments on the whole experience are also worth recording. Talking about the six-week meetings of the working group, he says that minutes are circulated to all the group's executive directors. "It is interesting that more than half the points raised relate to the efficient day-to-day running of the business and, of the remainder, most form part of our current strategy for growth, only a small number specifically relate to 1992 issues, but these have enormous strategic significance to our business."

Understanding the new Europe and how we will have to market to Euro-customers is the number one priority, but just as we had to guard against complacency about our ability to compete in Europe... so we must not neglect the basics. It's all very well for companies to buy up huge shares of the market by a policy of acquisition, but we still have to remember the more boring matters of administrative detail."

Comark's study touches on the experiences of an admirably wide range of companies and is easy to read - but is a shade superficial in parts and wanders frequently into general narrative about how companies have positioned themselves over the years for the European market, thereby straying a little from the strict "1992" label.

*Published for Comark Rowland, 27 Chaussee de Charleroi, 1060 Brussels, Belgium. Price £100.

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FINANCIAL TIMES
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Green issues still seen in shades of grey

Where does BBC1 stand on arts subsidies? What are ITV's politics? Does Rupert Murdoch's Sky TV agree with Rupert Murdoch's *Today* newspaper on green issues? What does RCTC's press critic think of the *Dodgy Mirrors*? How does Channel 4 see the future of nuclear power? Which channel is most left wing?

Who knows the answer to any of these questions? In fact they are virtually meaningless because television is still firmly under the thumb of government, which is determined to keep the headlines on. Plainly, there is no room for television to assume the rôle of the television is an increasingly influential medium, and so far there are few signs of any backtracking with the ambitions or the guts to do what 19th century newspapermen did and break out of the politicians' prison for the sake of freedom of expression.

In the last 10 days there appears to have been a significant change in public perceptions of the green movement, but television is incapable of reflecting the fact. Up to now the Green Party and its members have been seen as the little Sisters of modern politics, saintly, sanctuous, ready to go out and hurt themselves under the bows of Russel whalers, monitor the oilfield from Seaford, and so on. Then came modest success in the European elections, and the dawning awareness, at least among political journalists, that the Greens were not another CND but rather a political party with a manifesto.

On Friday August 4, *The Independent* published a "World View" centre page feature by Richard Davy. It was headlined "Beware the Stalins of Greenery" and it did what good journalism quite often does: pulled into focus something which had been hovering fuzzy at the edge of the picture. It warned that, however well intentioned the Green Party may be, totalitarianism lurks behind them. Mankind, said Davy, yearns for something to believe in, as well as an efficient market place, and greenery could offer the deposit for that belief just as communism once did.

Six days later *The Spectator* appeared with a cover showing an oak tree with green leaves and branches above ground but red roots beneath the surface. In his column Andrew Waugh took up the half-acknowledging-Davy's article and ran with it, describing greenery as "Something for the bohoes now that socialism has failed".

To day, however, in the Sunday Times, Simon Jenkins wrote an article headed "Supergreen" giving way to supermoby", which argued that ecology has been pur-

The reluctance of television to take an opinionated stance on the objectives of environmental pressure groups is indicative of a deeper malaise, says Christopher Dunkley

enclaves on Channel 4 marked *Opinion* or *Comment*, but the idea of an entire channel with attitudes and policies of its own as clear cut as those of *the Sunday Telegraph* seems to be quite beyond us. British television has never even had the courage to appoint its own critics.

"Opinion formers" is something in which television plays very little part, even (I believe) during general election campaigns, except to the extent that it provides clear impressions of the personalities of the political leaders. BBC1 and ITV have budgets of tens of millions and are watched every day by millions of viewers. Yet in the world of ideas *The Spectator* and the *New Statesman*, with budgets and readerships running only into thousands, are both immeasurably more influential.

The whole point of these magazines is their socio-political attitudes. Comment is not

hidden away in some little box carefully labelled "Opinion" for fear of its being infectious; that is the entire purpose. But television just cannot do that. Before it can deal with this dramatic change in attitudes towards greenery it has to find some way of emasculating it. Equal numbers of pro and anti-green spokesmen have to be brought into the studio to cancel one another out; or an expert commentator from a newspaper has to be found to verbalise the piece he wrote elsewhere, and then be ferociously grilled by a television presenter to prove that these views are not espoused by the television channel itself.

And why is television not a vital part of the opinion-forming process? Why is it not featuring at all in green revisionism? Why do broadcasters not emulate the old newspapermen and break out of the cage maintained for them so carefully by politicians?

It is difficult to avoid the feeling that the main reason is television's inherent inferiority as a medium for the airing of ideas. Television is an efficient means of piping light entertainment into the home. It is a splendid medium for sport. It is often useful for exploring popular culture. It can be used by expert producers to add to history a dimension which could never be achieved via print. Given vast lead times, huge budgets and a big staff it can even, once in a blue moon, make a contribution to the history of ideas such as *The Ascent Of Man* (though that is not the same as contributing to the ideas themselves).

But when it comes to catching opinion on the hoof, television seems sadly inferior. As a means for the serious propagation of ideas it can offer the studio discussion or the lone talking head; neither as effective as the 500-year-old medium of print, nor even as good as its own poor relation, steam radio.

There is still no feeling that television and television's own people are a real part of the process of hammering out ideas. All television does is to supply a secondary outlet for politicians who already have Parliament, for journalists who have their newspapers, and for academics who have their books and lectures. Who ever heard of an opinion-former setting out to make his career in television? Where is television's own Richard Davy? Its own Andrew Waugh?

For so long as it fails to provide its own people of that stature, and fails to find an effective technique for handling ideas, and - above all - fails to break the stranglehold of the politicians, just so long will television continue to be treated by the British intelligentsia as something or amusements or impatience, and rarely - if ever - with respect.

Olwen Fouere in the title rôle of *Salomé*

PLAYHOUSE

Spanish ballet has a long and uneven history. Across the years attempts have been made to produce theatrical narratives and divertissements using the riches of Spanish steps, but with too little success. It was Leonid Massine, under Diaghilev's guidance, who created the one authentic masterpiece of the genre in *Le Tricorne*, and that was 78 years ago.

With the Spanish National Ballet, which was among the opening attractions of this year's Festival, we see an eager desire to make a valid theatrical dance, but the result is less than encouraging.

An opening display, choreographed by Mariemma, confronted a polished "classical" form - lots of beaten steps and castanets - with the rawer energies of gypsy art. It made an agreeable introduction to a large and well-drilled company, but amounted to little more than sketches of dance numbers.

There followed two items using Ravel scores. It matters

little what anyone does to the Bolero, because it is not music; but the Alborada del Gracioso deserved far better than to be turned into yet another obvious Spanish solo. Jose Granero's choreography allowed Jose Ambrona, director and leader of the troupe, to spin and strike attitudes and reveal a fluent technique. It told us nothing about the music save on the most obvious and perhaps misleading terms as an excuse for stamping and those affronted glances that are stock in trade of the style.

Granero's Bolero filled the stage, Busby Berkeley fashion, with unison chattering and massings of bodies. Ladies appeared from behind Art Deco mirrors and swayed; chaps in rather hot-looking leather trousers arched their backs and changed their shirts. The Scottish Philharmonic Orchestra whipped itself into a crescendo under Benito Lauret's baton as did the dancers. It was good clean cabaret fun.

Clement Crisp

Richard Fairman

London Philharmonic

ALBERT HALL

In recent years the Proms have put before us some challenging views on Beethoven's Ninth Symphony: Solti making an Olympian ascent from tragedy to triumph; Abbado clearing the old master with an Italian's sharpness of definition; and Roger Norrington, who overthrew decades of Prom tradition by playing the symphony on period instruments.

This year the intention was to entrust the work to Klaus Tennstedt, but he was sadly forced to withdraw after a bad fall. In his place the London Philharmonic were fortunate to secure at

short notice the services of Kurt Masur, no less noted as a Beethovenian, but one whose experience and understanding guided the symphony back along traditional lines to the sort of Beethoven's Ninth that has long adorned the Proms in its usual place on the penultimate night.

Masur's performance was confident, easy, untroubled, joyous. Where other conductors create problems for themselves trying to sort out awkward sonorities, or make tempo changes relate in a convincing way, Masur goes forward as though oblivious of

the difficulties lurking to trap the unwary. The first and third movements passed by as though in a single breath, everything making sense, in detail as in the whole.

If one missed anything, it was a sense of confronting the symphony head-on and demanding it to yield up some special store of its secrets, as Solti and Norrington in their very different ways had done in the past. Yet, with the last of the senior generation of conductors from the German tradition now gone, there is a rarity value in a performance which has this

rightness of style.

Masur also elicited fine orchestral standards from his players. The LPO wind, in their prominently raised position, sounded especially telling. After a further series of substitutions the solo quartet finally numbered Mechthild Gessendorf, vocalising with gleaming tone through the soprano part. Hanna Schwarz, Anthony Rolfe Johnson and David Wilson-Johnson, tight at the top of his voice in the bass solo, while the combined forces of the London Philharmonic and BBC Symphony choruses provided a vast

choral complement.

The symphony was preceded this year by an epic of another kind: an impressive account, at once heroic and tender, of Liszt's Piano Sonata in B minor, played by Peter Donohoe. In this vast auditorium it was only to be expected that the bravura passages would carry immense eclat, but Donohoe also held the audience with the hushed delicacy of his lyrical playing. It was a pairing both chosen and discharged with flair.

Richard Fairman

Bits and Pieces

DOMINION THEATRE

Wayne Sleep's latest show, *Bits and Pieces*, is almost non-stop dance. Ballet, tap, modern, Cabaret, Can Can, Song and Dance, a party of ice dancing, jazz dancing, breakdancing, the show's net is cast wide. And it zooms along at quite a lick. Sleep himself dances insistently throughout the evening. We haven't seen a dancer burn himself up on stage this energetically since before Nureyev started to look tired some 13 years ago. And Sleep - who is now, as he reminds us, 41 - is still spinning and jumping with astonishing flash.

I can't help but be sad, however, when I see that dancing isn't really the point of the show. What Sleep is about is showbiz, and he is one of its brightest exponents. The thrill of his turns and leaps, and of most of what his team does, is acrobatic. The differences between ballet and breakdancing aren't interesting in *Bits and Pieces*, because they are delivered the same way and to make the same easy wow effect. None of the cast of 11 is serious about any of the dance forms they perform, as you can see from the crude leg work of the so-called warm-up that opens the show. Why be serious, after all? So why bother about fitness?

The stellar personality of the diminutive Sleep carries this

glib evening along smoothly. As always, his happy legs and lack of clichés be turned to comic ends, and he has all his colleagues giving off the same kind of bright-eyed cutie energy as he does. None of them is a blank, and some are very likeable.

The comedy passages are played with invariable mugging at the audience. Which is okay in some numbers, such as a "Your Feet's Too Big" group dance; but it spoils the neat *Chippendales* and the wit of *Boulevardier* and *Cream*, a clever medley of Torvill and Dean numbers that Sleep does with Nicola Traherne.

Marion St Claire, the evening's Sleep-scale ballerina, performs gamely throughout. Her granite charms become softened by the relaxed way with which she sings and gyrates along with everyone else.

This show is not aimed at dance connoisseurs, and it isn't aimed at letting novices discover how interesting dance can be. It could afford to be less relentless in its rock beat and its efforts to whip up applause. During the final dance variations from the Lloyd Webber *Song and Dance*, Sleep spun like a top and whipped through circuits of jumps at breakneck speed - and I was fighting to keep my eyes open.

Alastair Macaulay

EDINBURGH FESTIVAL

Salomé

ROYAL LYCEUM THEATRE

Did Richard Strauss's opera improve upon Oscar Wilde's moonstruck idyll of sensual delights? The answer this week from the Edinburgh Festival is resoundingly positive. The theatre has long given up making any serious claims for Wilde's indulgent farce in the palace of Herod, although it once formed the basis of one of Lindsay Kemp's finest hours.

I suspect that Steven Berkoff himself overrates the play, not surprisingly, perhaps, in the light of his asinine underestimation, printed in the programme, of the great comedies.

Berkoff's mannered, measured revival for the Gate Theatre of Dublin at the Royal Lyceum Theatre (a visit sponsored by Standard Life) eschews the Art Nouveau decorative approach and flattens all scenic reference to Herod's terrace and banqueting hall. Instead, we visit "a dinner party at Herod's house" populated by mincing mannequins in white faces and black and white 1930s costumes.

The evening is a one-pact physical display in slow motion matched by a linguistic decompression achieved by deliberate enunciation of Wilde's clotted apostrophes.

A rhubarb bubble of cocktail party chatter belongs to another piece - after this preface the chorus does virtually nothing apart from whistling and moaning in time-honoured fringe tradition to signify the flapping of the wings of the angel of death - and the intonation of the opening lines ("How beautiful is the Princess Salomé tonight"). "Look at the moon! How strange the moon seems!" sets a metronomic rhythm which is only interrupted by Jokanaan's prophetic outbursts.

As in Coward, passion is here deemed bad manners, a reduction of Wilde's purpose. But Joe Savino as the bearded, half-naked Jokanaan, isolated centre

stage in a spot, and Olwen Fouere's libidinous Salomé, convey both the fear and the fascination of carnal craving. And at least the point of the kiss on the lips is preserved, something you cannot say of the Festival Folkopera with its orgastic interpolations.

Otherwise, you miss quite a lot, and not only Strauss's surging orchestrations, for which Roger Doyle's disconcerting meanderings at the piano are a sadly inadequate substitute.

All properties are mimed: the wine glasses, the lush fruit Herod wants indented by Salomé's pretty teeth, the sword on which the sexually enslaved Young Syrian (played by David Heap) impales himself. There is not even one veil, let alone seven, for Salomé's fateful dance, and the choreography at this point extends only to a few uninteresting and minimally erotic slips and slides. At which point, you realise with horror that you will not even see the severed head.

Nor do you. Miss Fouere fondles space and the element of obsessive necrophilia so marvellously transmitted in the Leith Theatre goes out the window. Where Wilde wants pure luxuriance of verbal style to do the work, he provides the material, as in Herod's great three-page litany of alternative offers to the decapitation. Alan Stanford delivers this magnificently. On a rising swell of desperation he banishes his hundred white peacocks, amethysts and topazes, onyxes "like the eyeballs of a dead woman," forbidden crystal. Each delight is a final throw - in a coffin of naice I have three wondrous turquoises." But all to want and have, no, er, veil. This girl wants to get a head.

Michael Coveney



Olwen Fouere in the title rôle of *Salomé*

Spanish National Ballet

Salomé

LEITH THEATRE

Folkopera is back at the Festival, with a difference. The production team from Stockholm responsible for the successes of the past three years are working this time with British singers and the Scottish Chamber Orchestra. The choice fell on Strauss's *Salomé* in the version for reduced orchestra of 60 used in medium-sized German theatres and thought to have been made by the composer himself. The Leith Theatre is what it is, the orchestra was placed at the back, behind the singers, with conductor and players thinly visible through gauze.

This arrangement more or less stood the opera on its head - a fact that may have escaped those new to *Salomé*. They may have a shock - a pleasant one, we hope, until the dance, cunningly planned for her by Stuart Hopps. Except that he was over-generous with decibels at the beginning. John Bath portrayed the sexed-up Jokanaan with commendable aplomb. The Herod of Kenneth Woonan and the strident Herodias of Nuala Willis were on sound, conventional lines. The five Jews, though their behind-the-screen antics were more distracting than helpful, considering that they had to sing their fugal scene with the conductor behind them, were valiant.

There are two casts of principals. On Monday Susan Bisatt sang Salomé - a sturdy young soprano apparently impervious to fatigue, well in control of the role's demands, a stiff, prosaic mover until the dance, cunningly planned for her by Stuart Hopps. Except that he was over-generous with decibels at the beginning. John Bath portrayed the sexed-up Jokanaan with commendable aplomb. The Herod of Kenneth Woonan and the strident Herodias of Nuala Willis were on sound, conventional lines. The five Jews, though their behind-the-screen antics were more distracting than helpful, considering that they had to sing their fugal scene with the conductor behind them, were valiant.

What could be clearly heard of the obviously able conductor, Kersstin Nerbe, and of her players made one sorry not to hear it all. The director is Claes Fellhorn. Decor by Sören Brunes, costumes by Nadine Baylis, lighting by Gerry Jenkins. The alternative principals are Fiona O'Neill, Dimitri Kharitonov, Donald Stephenson, Judy Pearl. Performances up to and including August 19.

Ronald Crichton

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Dialogue with Argentina

IT IS a matter of some moment these days when Britain and Argentina talk to each other over the same table. For this reason the session due to begin in New York today deserves an unqualified welcome according to the hope that the mutual suspicion which undermined the last attempt at reconciliation in Berlin in 1986 has now dissipated. But more than good intentions will be needed if the two countries are to set aside the legacy of the Falklands.

Much has happened in the few weeks since Mr Carlos Menem took over as President of Argentina. Contrary to campaign rhetoric, he has displayed a remarkable and unexpected degree of pragmatism since taking office. The concession which brought Britain into direct albeit preliminary talks was Argentina's agreement to place the issue of disputed sovereignty over the Falklands under an "umbrella," which means that it does not renounce its claim but agrees not to prosecute the issue in the proposed negotiations.

Both sides now seem to realise that a prolonged dialogue, and hence a more stable relationship, is the necessary precursor of any lasting solution. But there are also more immediate commercial benefits to both: Britain wants to restore air links between the two countries, and Argentina wants a better international reception for its attempts to restructure its economy.

Much-needed realism

Mr Domingo Cavallo, the new Foreign Minister, seems to have injected some much-needed realism into Argentina's foreign policy. He obviously has taken on board the fact that since the war Argentina, lacking political, military or economic leverage, has failed to make any headway in asserting its claim to the Falklands. Every year, the issue is brought up at the UN, and every year, support for Argentina's position has waned.

Its change of strategy deserves a thoughtful response from Britain, which has always tended to assume that there is no Falklands problem, only an Argentine problem. If talks are

An unbalanced economy

AT FIRST glance, the Central Statistical Office's estimates of household income by county, published yesterday, appear to undermine traditional views of Britain's "north-south" divide. In 1987, household disposable income per head was higher in North Yorkshire than in Buckinghamshire, higher in Grampian in Scotland than in Hampshire, and higher in Cumbria than in Cambridgeshire. The figures even explode the claim that Northern Ireland is the poorest part of the UK: that point goes to Mid-Glamorgan in Wales.

But the existence of pockets of relative affluence outside the south east has little bearing on the overall distribution of income and wealth in the UK. The analysis also shows that 43 per cent of total UK household income (£14bn in cash terms) accrued to families living in the south east or south west. The contrast with other regions is stark. Total household income in Scotland, Wales, and Northern Ireland was only £28bn, £14bn and £7bn respectively. Given this aggregate distribution of purchasing power, it is hardly surprising that the south remains a magnet for business.

The market power of the affluent south east is obviously in part a reflection of the higher incomes of households. Income per head is 15 per cent above the national average. Its predominance ensures that all other regions - except the south west - are classified below average. But the figures also bring home the importance of the skewed distribution of population, which bears no relation to the availability of land.

Attractive market

There are more people in greater London than in the whole of Scotland and nearly twice as many in the south east as in Scotland, Wales and Northern Ireland put together. Within England, nearly half the population resides in either the south east or the south west. It is the combination of population density and high per capita income which makes the south of England such an attractive consumer market. Unless people can be persuaded to move, there is little hope of achieving more balanced economic development.

to come to anything, then this assumption will have to change. Successive British governments have underestimated the importance of the issue to Argentina. The belief that the islands are in much a part of national territory as Patagonia is embedded in the national consciousness - sometimes below the surface, but always there. Mr Menem, who is by nature a populist, understands this and his creditable refusal to exploit the sentiment so far does not mean that he may not in the future.

Border disputes

There is also a prevalent British belief that Argentina's recent turbulent history has caused it to lose perspective and that over time the importance of the issue will fade. This is not necessarily so. Border disputes are a very potent symbol of national frustrations and aspirations. Only island nations with friendly neighbours can afford to forget this.

There is some pressure upon Britain to make a concession to those made by the Argentinians, and some reluctance on the part of the British to do so. Britain can justifiably claim that it has already trodden the path that Argentina is now embarking upon, having restored trade relations three years ago, and ended hostilities in 1982.

But this is to miss the point. If the present negotiations are to succeed, then Britain must display a measure of good faith and that will mean showing some confidence in the process. Argentina is asking for a reduction in the Falkland Islands Protection Zone, the military exclusive area around the archipelago. This could be achieved without dismantling the islands' defences.

There is, of course, still room to doubt the sincerity of Mr Menem. But even so, Britain cannot afford to ignore the opportunity. The Argentine President is in a better position to negotiate than his predecessor, Mr Alfonso, because his nationalist credentials are unassailable. He is also in a more secure position with the military. If this chance is blown, it may be another four years before another opportunity presents itself.

Some public opinion polls have suggested the possibility of a hung parliament. One of the last surveys taken before polling was halted three weeks ago predicted that an 80 per cent voter turnout would cut NP seats from 123 to 78 - six short of an overall majority. Events may overtake these predictions as election day approaches. But for the first time since the National Party took power in 1948, and instituted the apartheid system which has made South Africa an international pariah, the possibility that majority rule by the Nationalists will end with this election is seriously considered.

President Botha's diatribe on Monday night served to highlight weaknesses within the party which have brought it to this precarious state.

With the instinct of a man who has known and lived party politics for over half a century, Mr Botha attacked the party at its most vulnerable point: its plans for the future racial ordering of South Africa.

The outgoing president criticised

Mr de Klerk's planned visit to Zambia,

In the late 1980s there are two faint grounds for optimism. Technological developments mean that many people theoretically no longer need to live close to their place of work; increasingly, it may be possible for people to live in relatively depressed regions such as South Yorkshire and maintain contact with their offices via interactive computer links. The low cost of living - in depressed areas offers potentially large arbitrage benefits for companies: they ought to be able to attract distance workers even if they offer salaries substantially below the going rate in affluent areas.

Quality of life

The speed with which such possibilities are explored will depend on a second factor: the deteriorating quality of life in the congested south east. The failure of Government to invest sufficiently in infrastructure can be regarded as a particularly brutal form of regional policy - a reversal of the strategy of previous decades, which was to try to make the depressed regions more attractive.

The growth of the long-distance commuter is one sign that people are rejecting the kind of life on offer close to London.

One snag, however, is that the Government's political support is heavily concentrated in the affluent congested areas: it cannot, therefore, pursue its reverse regional policy independently without undermining its electoral prospects. Indeed, the proposed additional spending on roads, railways and the underground in greater London suggests that the policy has already reverted to one of increasing the relative attractions of the south east. In addition, the completion of the Channel Tunnel and the region's role as a conduit for physical trade with the Continent will tend to accelerate its economic development.

Finding a regional policy that works will thus remain an important challenge in the 1990s. It is easy to see that the average quality of life would be higher if population and income were more evenly distributed. The problem is finding an effective means of promoting such trends.

As political theatre, the events of the past few days in South Africa have proved hugely entertaining. For while the fact of Mr PW Botha's departure from the political scene had long been in prospect, the manner and the timing of his exit were chosen for maximum dramatic impact.

They were also chosen by the embittered old President to inflict serious electoral damage on the ruling National Party, which has three weeks in which to repair its image before contesting the most crucial elections of its 40 years in power.

But while the effects of Mr Botha's vengeance will clearly be felt on polling day, September 6, it is far from certain that his surprise resignation on Monday night will significantly alter the party's chances of forming the next government in South Africa. The resignation, and the unseemly public bickering which preceded it, will not have improved the image of a party which has shown ample evidence of confusion and disunity in the past. But for the party's new leader and acting President, Mr FW de Klerk, Monday's showdown with Mr Botha was the sort of political opportunity which could not be missed.

For months Mr de Klerk had lived in fear of the meddling of the sick and cantankerous President: on Monday he gathered his strength and his authority, and banished the old man to the political sidelines. Mr de Klerk must act quickly to market this success to a white electorate which seems to feel some sympathy for the outgoing leader. So far, his election campaign has lacked the decisive leadership which it needs to succeed.

His new position as head of both party and Government may give him the platform from which to launch a most determined campaign.

Yesterday's swearing-in ceremony set a new tone. After taking the oath of office as acting President, Mr de Klerk spoke of a new dawn in South Africa and held out the hope of a southern African peace. "We stand on the threshold of a new era in South and southern Africa," he said. "History, I believe, offers us a unique opportunity for a peaceful solution. I trust that the people of South Africa will in these times have the courage and vision required to break the cycle of conflict, tension and isolation that has gripped us for so long."

But these are the goals which eluded Mr de Klerk's predecessor, Mr Botha, and there is little evidence yet that he will find them any easier to achieve. First he must fight and win the September 6 election. And even the most optimistic scenario put forward by National Party officials - which has Mr de Klerk earning significant political capital from the Botha resignation - cannot obscure the fact that the party's power base has been seriously eroded.

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Ballooning balloons

■ Britain's glorious summer has given a big lift to that most traditional of airborne sports, hot air ballooning. According to the Civil Aviation Authority, 63 balloons were certified in the first seven months of this year, bringing the total to 822. This is more than double the number as recently as 1983.

The occasion was, however, marred by an unexpected intrusion of the modern world. My pilot suddenly whipped out a portable telephone and rang up the farmer whose field we were floating over at that moment.

"We're overhead," he informed him. Moments later, a dressing gown-clad figure staggered out of the back door to give a sleepy wave. Somehow, that didn't quite fit the picture.

Pasta and chips

■ Which is the most popular cuisine in Europe? The answer is not the French but the Italian. And which is the least popular? No prizes for that, the British.

Don Cameron, whose Bristol company is one of the country's leading balloon makers, naturally regrets the accidents. But he tells me that a recent study of safety showed that balloons were twice as dangerous per trip as commercial flying, but ten times safer than private aircraft.

"The long term statistics are pretty good," he says. Although the big surge in UK balloon ownership may soon ease off because of mounting congestion, Cameron still sees some growth left in the market. It costs about the same to buy and run a balloon as it does a car, and Cameron says most people find them much easier to fly than they expected.

Ten days ago - before the crashes - I was given a ride in a hot air balloon as a birthday present. It happened on

the dawn of a perfect day in the Vale of Aylesbury and was truly unforgettable. The beauty and peace were sensations all should experience at some point in their lives.

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■ Frank Fletcher of Mintel confirms this view. "Italian food travels pretty well," he says. "It's also seen to provide a flexible and nourishing meal."

Mintel's UK market analysis company, conducted a survey to find out the type of food that Europeans like to eat in their own homes. Most of them prefer their national dishes, of course. But foreign food came out in the following order: Italian, French, Spanish, Dutch, American, German, Belgian and British.

I suspect that these findings tell us less about the refinement of the European palette than about the growing addiction to convenience foods. With all respect to the Italians, their strong showing owes more to lashings of spaghetti and pizza at the family supper table than to the delights of *cotoletta alla carbonara* by candlelight. This would also account for the high showing of American food, which captures those mountains of hamburgers, and steak and chips.

Patti Waldmeir on South Africa's political prospects after P W Botha's resignation



Squabbling as the party weakens

the immediate cause of the row which followed his resignation as a betrayal of South African interests. He implied that Zambian President Kenneth Kaunda was harbouring terrorists, and underlined that Mr Kaunda's support for the African National Congress (ANC) made it inappropriate to meet him before the September elections.

The irony of the situation was not lost on National Party officials, who only six weeks ago were struggling to justify President Botha's own meeting with the man styled by Pretoria as

The resignation will not have improved the image of a party which has shown ample evidence of confusion and disunity

Conservative Party - which supports the most grotesque forms of apartheid and argues for partition of the country to ensure racial purity - has a particular talent for damning the Nationalists with their own words.

A special election edition of the party newspaper reproduces the following National Party response to the question, "can a black man become State President?": "The position of State President can be an important symbol of national reconciliation and should thus enjoy the support of all groups. Although this issue is not on the agenda now, it is important that all groups be able to participate in the election of the state president. However it is the NP's premise that domination of any group by others must be avoided. It is thus necessary that the electoral procedure, as well as the character and the responsibilities of the office of the State President, be reconsidered in order to prevent the office from becoming an instrument for domination."

The Conservatives suggest that "yes" or "no" might have been a more revealing answer. And many potential National Party voters may tend to agree. Such doubletalk from the National Party makes it difficult to avoid the conclusion that having abandoned its unifying ideology - apartheid - the party is lost in a political and philosophical vacuum.

It officials insist that apartheid must be dismantled. Yet the bottom line of every ministerial speech - and of every pronouncement so far from Mr FW de Klerk - is that "group" rights must be protected. And though the party says it defines groups according to cultural affinity, and not

race, one can be forgiven for doubting the substance of such distinctions.

The 11 years of President Botha's rule over the party have nonetheless seen ones of major change in South Africa. Some of the more offensive apartheid laws have been repealed, notably the pass laws and system of influx control which barred blacks from South African cities without permission. Laws banning mixed marriages and sex between races have been removed. And Pretoria has watched while the bedrock of apartheid - the group areas act, imposing

The challenge facing Mr de Klerk is to convince white voters that he can bring the evolution which many accept is inevitable

residential segregation - has been eroded by social and demographic factors which are forcing ever more integration.

But Government policy has been only one - and arguably not the most important - of the forces bringing about the reform of apartheid. Pretoria's response to pressure has often lacked coherence, and has certainly lacked vision. And its apparent goal - to satisfy black political aspirations by allowing the majority to share power in a system which leaves whites ultimately in charge - seems as distant as ever.

The challenge facing Mr de Klerk is to convince white voters that he can bring about the social and political



Oh well,
YOU CAN BE SURE OF SHELL

David Lascelles

evolution which many accept is inevitable. But he must also reassure them that they will not be swamped by the black majority, a prospect even the most liberal whites secretly fear.

The National Party's five-year programme - to which Mr de Klerk referred yesterday - seems to contain little to advance the party towards that goal. The wording of the document is vague enough to allow numerous interpretations. If Mr de Klerk has a grand plan for reform, he would appear to be keeping it to himself. And well he might.

For the National Party has been shedding voters to both left and right in recent months, and pinning the party's colours to the most right wing of the electorate. To prevent any further erosion of the white middle ground, the NP appears to believe it must appeal to potential supporters of the liberal Democratic Party first. A coalition of three left-wing parties formed only four months ago, the DP is hampered both by its leadership structure - it has three leaders, one from each party - and by a lack of vision of vision.

In the end, the Conservative Party (whose clear, extreme views are supported by perhaps as much as a third of the electorate) may prove to have more influence over South Africa's future. In the case of a hung parliament, the Conservatives claim they could arrange enough defections of right-wing National Party MPs to guarantee the party a place in a NP coalition. The claim does not seem wholly far-fetched.

Still, the most likely electoral outcome remains continued National Party rule. And with the Nationalists back in power, albeit with a much reduced parliamentary majority, President de Klerk could safely ignore both left and right and get on with the job of constitutional reform. That would certainly prove a more difficult task than the one he accomplished on Monday: the political isolation of a man who had already resigned as party leader six months ago.

Mr de Klerk will be called upon to fulfil the high expectations he has raised in the West, where his talk of a new era in South Africa is cautiously welcomed. He must tackle corruption in government, and bring down inflation and interest rates which are well into double figures.

But more than anything else, he must find a way of meeting the political aspirations of the blacks who represent three quarters of South Africa's people. Three years of detentions and restrictions under the country's state of emergency have left black political organisations in some disarray. But the upcoming elections, which include the Coloured and Indian houses of parliament as well as the white chamber, seem to have provided a new focus for anti-apartheid protest. Anger is building in the country's non-white townships - especially Coloured areas in the Cape - where daily incidents of serious unrest are now reported. The last elections to the tri-camera parliament, in 1984, were followed by three years of unrest in which 2,000 people died. As the political temperature rises in the townships, more violence cannot be ruled

Alan Pike reports on efforts to get more value for money from the UK police force

How efficient are Britain's police? For many people, the answer to this question will depend on what happened the last time they reported a car radio or handbag stolen.

But crime statistics and clear-up rates are only one guide to police efficiency and not necessarily a particularly accurate one.

Expenditure on the police service is approaching £2bn a year, policing London alone costs £1bn. The Government, in spite of its reputation as the friend of law and order, has not excluded the thin blue line from scrutiny in its other role as the curse of public sector inefficiency and ministers are showing growing interest in how this money is spent. As a result, chief constables are beginning to give greater attention to the business efficiency, as well as the operational efficiency, of their forces.

Speaking on the subject earlier this year Mr Douglas Hurd, Home Secretary, accepted that it would be "foolish to regard a police force in the same way as you would examine a shoe factory." Such a statement was bound to be followed by a but - Mr Hurd's was that certain principles of good management practice are valid to all organisations and the Government expects to see them operating in the police service.

"Effectiveness and efficiency are not unrealistic phrases used by theoretical people far from the policeman's beat," said Mr Hurd. "They are an essential and reasonable precondition for increasing investment in the police."

In the past much of the lobbying for extra resources was conducted around the plausible if not always strictly provable assumption that extra officers were sure to reduce the crime rate. Now the process is becoming more scientific.

The Home Office has produced a standard form for forces to use when applying for extra resources. Chief constables have to set out "quantified improvements in output and performance achieved from previous staff increases and details of arrangements for monitoring the effect of increased resources. The form calls for information on proposed efficiency measures and their anticipated savings in police officer time" calculated in units where possible.

Applications for additional personnel will not be approved if the Home Office believes police officers are occupying posts which could properly, and more cost effectively, be

Free from paper handcuffs



filled by civilians.

"Civilisation" has been at the forefront of the Government's efforts to improve police efficiency. A civilian costs less to employ than a police constable. Where police officers can be released from administrative tasks it not only saves money, but achieves the objective of increasing the number of police officers patrolling the streets.

A wide range of activities, in addition to those coming under the general heading of clerical and administration, are regarded by the Home Office as suitable to be undertaken by civilians. These include photography, fingerprint examination, road safety, vehicle examination, driving and physical training instruction, personnel and control room duties.

London's Metropolitan Police sets annual targets for civilisation, and so far 1,300 posts held by police officers have been identified for transfer to civilians. When the force contracted out the wheel clamping of parked vehicles, unit costs went down and the amount of clamping increased three-fold.

The Government is attracted to civilisation because it enables police officers to spend more time on real police work.

Typical uniformed constables spend a quarter of their duty hours on paperwork, while the proportion for sergeants and inspectors can rise to 40 per cent. CID officers, in spite of the action-packed impression given by television drama, run even more risk of eye-strain and writer's cramp than their uniformed colleagues.

In an effort to increase the number of duty hours officers spend on front-line police work, some forces, like West Mercia and West Midlands, have pioneered Administrative Support Units. Such units, staffed by civilians, have taken on the time-consuming task of preparing prosecution files and conducting follow-up inquiries which were previously undertaken by police officers.

The effects on policing of such changes can be striking. A "war on paperwork" in the Thames Valley force led to administrative changes which have increased the amount of time police officers spend on mainstream, out-of-station duties by 22 per cent.

The need to demonstrate such improvements in order to gain extra resources from the Home Office is not the only efficiency pressure on chief constables. HM Chief Inspector of Constabulary, whose department carries out periodic inspections of police forces, has become active in looking at efficiency issues and has developed a computer-based matrix of "Police Indicators" which provides a range of comparative information on recruitment, organisational structure, civilisation, crime detection and many other efficiency aspects of police work. The results are discussed with forces as part of the regular inspection process and, where there are significant variations between forces, these are taken up by the inspectors.

Police forces are also included in the ambit of the Audit Commission, which is responsible for carrying out audit and value-for-money exercises in local government and the health service.

There have been Keystone Cops touches to a few of the commission's initial findings in the police service. In some provincial forces, fewer than 10 per cent of fingerprints found at scenes of crimes are checked against those in headquarters records because of a "serious imbalance" in resources between fingerprint collection and record-checking. Some forces were found to be servicing cars every few hundred

times a year.

Divided on dividends

From Mr G. de Nemeskeri-Kiss, Sir, Mr D. O'Shea (Letters, August 10) reopens the old controversy about dividends, this time in the BAT bid context.

It is 20 years since Miller and Modigliani showed that, in an efficient market and in the absence of taxes and transaction costs, dividend distribution ratios do not affect the total return to shareholders.

Mr O'Shea, observing that BAT would find high dividend distribution expensive in tax terms, argued that returns to BAT shareholders would have been lower if dividend payout ratios had been higher.

Dividend policy should not be confused with a firm's investment decisions. Investments whose risk-adjusted net present values (NPV) are not positive will depress total returns to shareholders. So from the shareholders' viewpoint, dividend payouts are preferable to the firm's investing in negative NPV projects. But that is another story.

George de Nemeskeri-Kiss,
Touché Ronmont,
International House,
2 Puddle Dock, EC4

Education down the Tube

From Mr C. Devereux

St. Mr Andrew Oswald says (Letters, August 10) - rightly, I am sure - that no Tube train driver would make an adequate university lecturer, while a university lecturer could drive a Tube train, all at a mean weekly wage scale of £333 per week.

What does inducing Hong Kong Chinese out of the south-east region of the UK mean?

Embassy, poster campaigns, or direct force administered by the kind of bureaucrat Mr Brittan's economics has no room for!

P.J. Sullivan,
Redstock,
Prioryfield Road,
Godalming,
Surrey.

From Mr David Walker

Sir, In his Economic View-

that this can occur, when they do not immediately sell the stock to arbitrageurs after the announcement of an offer.

The same issue of the Financial Times as your Lex article carries a report of the demonstrably uneven performance, since January 1, 1988, of various stock markets around the world. Currency fluctuations provide a further complication. Obviously some of these markets had it wrong (as of New Year's day), or some of them are not quite right today. Time and experience will tell. If economists could, they would become investors.

As to the BAT offer by Hoylake: the institutions should be asking themselves (and BAT) why it is that BAT will not do what Sir James Goldsmith is likely to do - or something better. £10 today, in cash, is not axiomatically better than retention of shares, priced by the market today (August 10) at 28, which represent a proprietary equity in the future.

J. Scott Merritt,
1708 Commerce Tower,
P.O. Box 13222,
Kansas City,
Missouri, USA

point column, consistently entertaining as well as consistent. Samuel Brittan would not dream of using a weaselly word like "induce" (as in: induce people to act contrary to their economic interest).

But when it comes to social matters ("Hong Kong can help UK," August 10) - that is, race - he slips it in, along with the coy phrase: "regional steer."

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From Mr Harry Kleeman

Sir, You call the Department of Trade and Industry "a declining department" (August 2). If you mean it no longer spends money on lame duck businesses, you are right - but that is a welcome decline.

As a businessman I have nothing but admiration for the

way Lord Young, the former Trade and Industry Secretary, transformed the DTI into the "Department of Enterprise." You comment unfavourably on the "expensive publicity programme" used to promote the enterprise initiative - probably some of the best value the UK has had for public money

in years. Thousands of firms have been spurred to use consultants to enhance performance; they would never have done this without the carrot of DTI money and the publicity alerting them to the opportunity.

You say "there are few immediate challenges." Yet

miles - in one case paying workshop staff bonus payments based on maintaining vehicle types which were no longer in its fleet.

But Mr Howard Davies, the Audit Commission controller, finds that senior police officers are "interested and positive thinking" in their response to the commission's attempts to encourage greater efficiency. "They see that potentially there is money to be saved from running support services more efficiently than it can be used for something else. Chief constables are generally prepared to admit that they are not experts at transport management and many of the other things they have become involved in, and are willing to accept advice on improving efficiency."

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"Police for People - Not Profit" was the theme of this year's conference of the Police Federation, which represents officers up to the rank of inspector. Fears were voiced at the conference that the Government, while seeking to constrain expenditure on the police, is moving tentatively towards allowing a bigger role for the private security industry, and is putting unacceptable pressure on chief constables to extend civilisation because it is a cheaper option than increasing police strength.

There could be no balance sheet in public service crime prevention and detection. Mr Alan Eastwood, the federation's chairman, told his members but in terms of value for money the public interest was handedly in credit. Britain had become an infinitely more dangerous and crime-ridden society since 1979 and if people are looking for evidence of value for money from the police, they only have to look at the yearly total of 17,000 officers assigned to understand the true nature of policing in Britain as we enter the 1990s."

Devolved management in the Kent Police will appear on the Management page on Friday.

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You say "there are few immediate challenges." Yet

Monetary policy

In search of a better yardstick

By Roy Batchelor, Alec Chrystal and Peter Spencer

Mis Thatcher's Government earned the label "monetarist" in its early days by its commitment to control inflation by targeting the M3 money supply. The idea was that the use of money for the settlement of transactions made it a good leading indicator of spending and inflation.

Yet M3 gave no warning of the 1981 recession, continuing to grow rapidly despite a marked fall in activity and inflation. By autumn 1980, it had become thoroughly discredited and the target was formally abandoned. This decision has been widely debated.

The importance of management is becoming reflected in police training - all programmes at Bramshill police staff college now include the teaching of management principles and techniques. But while there is no doubt that genuine interest in management and efficiency is growing in the higher levels of the police service, the Government's motives in seeking these changes have aroused suspicions as well.

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Faberge, Incorporated

has sold its

FABERGE

and

ELIZABETH ARDEN

Toiletries, Cosmetics and Fine Fragrance Business

to

Unilever United States, Inc.

a wholly-owned subsidiary of

Unilever N.V. and Unilever PLC

We initiated this transaction, assisted in the negotiations and acted as financial advisor to Faberge, Incorporated.

PaineWebber Incorporated

Virgin Vision

a Division of

Virgin Group Limited

Has Been Acquired By

Management Company Entertainment Group, Inc.

We Initiated This Transaction and Served as Financial Advisor to Virgin Group Limited.

Furman Selz

A XEROX Financial Services Company

London • New York • San Francisco

U.S. \$250,000,000

BANK OF BOSTON CORPORATION
Subordinated
Floating Rate Notes Due 2001
Issued 10th February 1989

Interest Rate 9% per annum
Interest Period 16th August 1989
16th November 1989
Interest Amount per U.S.\$50,000 Note due 16th November 1989 U.S.\$1,150.00
Credit Suisse First Boston Limited Agent Bank

U.S. \$150,000,000
First Bank System, Inc.

Floating Rate Subordinated Capital Notes Due 1996

Interest Rate 9% per annum
Interest Period 16th August 1989
16th November 1989
Interest Amount per U.S.\$50,000 Note due 16th November 1989 U.S.\$1,150.00
Credit Suisse First Boston Limited Agent Bank

August 1989

INTERNATIONAL COMPANIES AND FINANCE

Sharp fall at Bougainville Copper

By Chris Sherwell in Sydney

BOUGAINVILLE Copper, the troubled Papua New Guinea copper and gold mine which has been closed since mid-May, has reported a sharp decline in half-year profits and expects little contribution from the second half.

Figures released yesterday showed a profit of 37.7m kina (\$32.5m) for the six months to June, down from 51.8m kina in the same period last year, while revenues were also down, to 223.2m kina from 243.5m kina. To conserve cash there is no interim dividend.

The company - 53 per cent owned by CRA, the Australian resources group, which is itself an affiliate of Rio Tinto Zinc of the UK - said the results had been severely affected by

attacks on the company's personnel and property.

Disaffected local landowners on Bougainville island launched a sabotage campaign late last year to press for 10m kina in compensation for the establishment and operation of the mine over the past 17 years.

In a statement Bougainville pointed to a 5m kina extraordinary item in the accounts to cover the "costs and provisions for repairs, redundancies in June and July, and other abnormal costs occasioned by the crisis."

After this item, and as a result of adjustments for exchange rate changes, the half-year profit in Australian dollar terms was even more

sharply lower - A\$42.7m (US\$32.5m) against A\$73.2m in 1988.

On sales of concentrate, the company said that since May notices of force majeure covering specific shipments had been issued to all customers with whom it had contractual commitments. It said no shipments had been cancelled.

Although it had cash reserves of 5m kina, the company said the main impact of the mine's stoppage would be felt in the second half.

The reduced number of employees - down to 2,600 - was sufficient to resume production, but because there could be no guarantee that further attacks would not occur, any decision to recommence

would be taken with "extreme caution."

Once production restarted it would take some months before operations returned to normal levels so the second half "is not expected to make a significant contribution to profits," the company said.

Of its insurance claims for property damage and business interruption, the company confirmed that these had not been settled and said no allowance had been made in the accounts.

Separately, the accounts show a sharp 19.6m kina increase in provision for future tax, reflecting the cumulative effect of an error made since 1986 in the company's tax-effect accounting.

Wilhelm Wilhelmsen cruises back to black

By Karen Fossel in Oslo

WILHELM WILHELMSEN, the Norwegian shipping group which has one of the world's largest deep-sea roll-on/roll-off fleet, returned to the black in the first half to June with net profits of NKr345m (\$48.8m) against a NKr45m deficit in last year's corresponding period.

Turnover increased 31 per cent to NKr1.95bn, because the group's liner operations

will be strengthened by the acquisition this month of a new ro-ro carrier.

In spring the group implemented a radical restructuring into six independent companies, off-shore operations and its weak sister member, receiving attention. To strengthen Wilrig a \$100m share issue was launched in June.

Although no figures were given, Wilship, the group's non-liner shipping service, recorded satisfactory results while BarWil Agencies, the service vessel operation, had a strong showing.

Barber International, which operates a fleet of 160 ships, continues to make positive progress.

Co-operation with Platou, one of Norway's largest ship-

First Pacific interim leaps 43% to \$6.5m

By Michael Murray in Hong Kong

FIRST PACIFIC, the Hong Kong-listed investment and management conglomerate controlled by the Liem family of Indonesia, showed a 43 per cent jump to US\$6.5m in attributable profits for the first half of 1989.

Consolidated turnover rose 29 per cent to \$614.7m, led by the group's marketing and distribution activities and its Hong Kong banking operations - which, since January, have included Far East Bank. Operating profit rose to \$13.8m from \$11.4m.

A company statement said that Stanlel of the Philippines, a maker of corrugated carton boxes which was acquired in September 1988, made a significant first-time contribution.

First Pacific Telecom continued to strengthen its distribution position in Hong Kong by

investing in two "total solution" computer companies as well as beginning a regional expansion into Malaysia and the Philippines.

First Pacific Land, now 60.5 per cent held after being hived off from the parent earlier this year, increased its equity from \$12m to \$52.3m during the first half. The company is presently invested mainly in Thailand and the Philippines, with limited exposure in Hong Kong.

First Pacific Davies recorded satisfactory trading results in Hong Kong and the region, and brokered the sale of the Bond Centre office building by Bond Corporation International.

Under a reorganisation carried out during 1988, First Pacific joined the list of Hong Kong companies shifting their headquarters overseas and is now incorporated in Bermuda.

Strong domestic growth helps lift Showa Denko

By Robert Thomson in Tokyo

SHOWA DENKO, the Japanese chemical company, yesterday reported a 26.7 per cent increase in pre-tax profit to Y17.27bn (\$121.9m) in the first half to end June, as strong growth in the domestic economy and a tight international supply of products increased sales significantly in the period.

Sales rose 15.3 per cent to Y261.3bn, with the chemical division reporting an 18.1 per cent increase on strong demand for ethylene. Sales in the inorganic materials division rose 14.2 per cent and sales of biochemical and car-

bon products rose 12.1 per cent.

Along with strong domestic growth, cost cuts in production capacity and a reluctance to invest in new plant for fear of glutting markets for chemical products - particularly in petrochemicals, which comprise about 45 per cent of Showa Denko's output - have produced sharp increases in profits for most Japanese chemical companies.

Showa Denko estimates that the full-year pre-tax profit will be about Y34bn, up from Y30.5bn last year, on sales of Y620bn, a significant increase from last year's Y471.2bn.

BHP role in steel deal opposed

THE AUSTRALIAN Trade Practice Commission, the country's antitrust regulator, said yesterday it opposed the sale of New Zealand Steel to the Helensius consortium led by Broken Hill Proprietary (BHP) of Australia. AP-DJ reports from Wellington.

Mr Bob Bart, commission chairman, said it had "made a submission to the New Zealand Commerce Commission, which

is currently considering the acquisition," arguing that the sale "would substantially strengthen BHP's dominance of the Australian market for some steel products."

NZ Steel was a small supplier to the Australian market but had "expansion capability" giving it potential to supply a significant proportion of the market for coated, hot- and cold-rolled steel products.

Electricity Generating Authority of Thailand

U.S. \$60,000,000
Guaranteed Floating Rate Notes Due 1998/1999

Unconditionally guaranteed as to payment of principal and interest by

The Ministry of Finance of
THE KINGDOM OF THAILAND

In accordance with the provisions of the Notes notice is hereby given that the rate of interest for the period 16th August, 1989 to 16th February, 1990 has been fixed at 9.375 per cent per annum. On the 16th February, 1990 interest of US\$ 498.61 per US\$ 10,000 nominal amount of the Notes, and interest of US\$ 1,142.14 per US\$ 250,000 nominal amount of the Notes will be payable against Coupon no. 13.

Agent Bank
Saudi International Bank
AL-BANK AL-SALIDI AL-ALAMI LIMITED

Santa Barbara Savings and Loan Association

(Incorporated under the laws of the State of California)

U.S. \$100,000,000
Collateralized Floating Rate Notes due 1996

Notice is hereby given that the rate of interest has been fixed at 9% p.a. and that the interest payable on the relevant interest Payment Date, November 16, 1989, against Coupon No. 13 in respect of U.S.\$100,000 nominal of the Notes will be U.S.\$1,000.00.

August 16, 1989, London
By: Citibank, N.A. (CSSI Dept.), Agent Bank

CITIBANK

Central-European International Bank Ltd.

(Incorporated as a joint stock company in Hungary)
Floating Rate Notes 1990
Extendable at the Noteholder's option to August 1992
and thereafter to August 1994

In accordance with the provisions of the Notes notice is hereby given that for the six-month period from August 14, 1990 to February 14, 1991 the Notes will carry an interest rate of 8½% per annum with a coupon amount of U.S.\$ 437.64 on U.S.\$ 10,000, and U.S.\$ 10,940.97 on U.S.\$ 250,000.

Frankfurt/Main, August 1989
COMMERZBANK
AKTIENGESELLSCHAFT

U.S. \$20,000,000



Central-European International Bank Ltd.
(Floating Rate Notes 1990)

Extendable at the Noteholder's option to August 1992
and thereafter to August 1994

In accordance with the provisions of the Agent Bank Agreement between Central-European International Bank Ltd. and Commerzbank dated July 17, 1984, notice is hereby given that the rate of interest has been fixed as 9% p.a. and that the interest payable on the relevant interest Payment Date, February 16, 1990 against Coupon No. 11 in respect of U.S.\$ 10,000 nominal amount of Notes will be U.S.\$ 460.00 and in respect of U.S.\$ 25,000 nominal amount of Notes will be U.S.\$ 1,150.00.

London/Luxembourg, August 16, 1989

By: Arab Banking Corporation - Daus & Co. GmbH,
Agent Bank

The Export-Import Bank of Korea

(Established in Korea under The Export-Import Bank of Korea Act)

U.S. \$100,000,000

Floating Rate Notes due August 1990

For the six months 14th August, 1989 to 14th February, 1990 the Notes will carry an interest rate of 8.75% per annum and a coupon amount of U.S. \$4,472.22 per U.S.\$100,000 Note, payable 14th February, 1990.

Bankers Trust
Company, London
Agent Bank

INTERNATIONAL COMPANIES AND FINANCE

UAL considers leveraged buy-out to counter Davis

By Anatole Kaletsky in New York

UAL, the holding company for United Airlines, is working on a leveraged-buy-out alternative to the \$5.4bn bid from Los Angeles investor Mr Marvin Davis, Wall Street analysts said.

An important role in the talks is being played by the airline's unions, particularly the pilots' union, whose support could ultimately be essential for any successful bid for the group.

UAL's shares fell by 2% to \$254 in active trading yesterday morning as arbitrageurs considered that the unions might resist an auction process and obstruct the financing of a higher bid.

Other airline stocks were also depressed by fears that a new round of fare cutting could break out in the autumn after American Airlines and Delta Airlines announced price concessions on certain

restricted tickets directed towards leisure travellers.

The moves by American and Delta followed discounts announced over the weekend by Continental, TWA and Northwest.

However, most analysts believed the airlines would succeed in hedging the new discount fares with enough restrictions to insulate their highly profitable business travel interests from a fares war.

The possibility of fare cuts in the autumn was not seen as a significant threat to the industry's revaluation by the stock market following the bid for UAL.

A more aggressive stance by UAL's unions could be a more serious problem. UAL's pilots have been involved in contract disputes with the company's management for almost two years. Many analysts believe

financing for a bid or buy-out will be difficult to arrange unless the pilots sign a new contract, since a strike could wreak havoc with the highly leveraged financial structures being proposed for the company.

However, the pilots have consistently said they would want a major say in the airline's management and a large equity stake in exchange for agreement to wage rate concessions.

Last week the pilots' union hired Lazar Frères and Salmon Brothers to advise it on the possibility of leading an LBO, financed in part from the union's pension fund.

The International Association of Machinists, whose contract with UAL expires in less than a year, has indicated it might back a management-led buy-out in preference to one led by the pilots.

Earnings collapse at Atari

By Roderick Oram

ATARI, the California home computer maker, has reported a plunge in second-quarter profits because of intense competition in the video game market and adverse foreign exchange rates.

Net profits collapsed to \$327,000 or 1 cent a share from \$7.9m or 14 cents. A \$2.3m loss from a discontinued operation made the year earlier's final net \$5.8m or 10 cents.

Revenues fall 19 per cent in

the latest quarter to \$82.7m from \$102.5m. "Video game sales, primarily in the US market, remained depressed as a result of the alleged unfair monopolistic practices of an international competitor, which are now the subject of litigation," said Mr Sam Tramiel, president.

Without naming his arch rival, he was clearly referring to Nintendo, the Japanese company that dominates the US

market with a near 80 per cent share.

Atari's first-half net profits fell to \$8.6m or 6 cents a share, from \$22.9m or 40 cents a year earlier when final net including the discontinued operation was \$11.2m or 19 cents. Sales fell to \$171.5m from \$300.0m.

Mr Tramiel said Atari is benefiting this quarter from the introduction of its Portfolio hand-held MS-DOS compatible personal computer.

Ashton-Tate warns of loss

By Roderick Oram

ASHTON-TATE, a leading US supplier of applications software for personal computers, said yesterday it would report a large operating loss for the current quarter because of the cost of cutting its workforce by 15 per cent and because of lower shipments.

The Torrance, California, company expects shipments of the current version of its dBase IV spreadsheet software to fall while customers wait for new versions.

It gave no launch dates but said it did not expect to begin shipping either the 1.1 or 1.1 Server versions of the software in the current third quarter.

It will also continue efforts to reduce dealers' inventories of its products, a factor that contributed to a \$19.8m loss on revenues of \$95.8m in the second quarter.

The company is being hurt by the four-year gap between release of dBase III, a popular spreadsheet programme, and the introduction last October of dBase IV.

The company could be larger if the current quarter could be larger, it warned yesterday, because of severance pay and other costs

from cutting its workforce by some 1,700 people worldwide.

The cost cutting will improve the focus and execution of development projects with the biggest potential to increase revenues in the short term, said Mr Edward Eberle, chairman.

The company is being hurt by the four-year gap between release of dBase III, a popular spreadsheet programme, and the introduction last October of dBase IV.

US retailers move ahead in second quarter

By Roderick Oram
in New York

J.C. PENNEY and Dayton Hudson, two leading US retailers, have reported higher second-quarter profits reflecting recent restructuring moves.

Penney's gross profit margins were also boosted by higher sales volume for clothes, a sector on which the company is placing increased emphasis as part of its efforts to improve its performance.

The sector, particularly in women's clothing, has been soft for many retailers for over a year.

Penney's net profits rose 21 per cent to \$98m or 74 cents a share in the second quarter from \$81m or 61 cents a year earlier. Revenues rose 5 per cent to \$3.51bn from \$3.4bn.

First-half net rose 7 per cent to \$226m or \$1.71 a share, from \$212m or \$1.57. Revenues grew by 4.5 per cent to \$6.92bn from \$6.62bn.

The first-half earnings included a \$20m after-tax charge for winding up Telaction, an interactive service for shopping via cable television.

The results were in line with analysts' estimates for a rise this year of 25 per cent in Penney's net profits.

It is benefiting from restructuring moves in the past couple of years, including the closing of some poorly performing stores, discontinuing hard goods sales, operating cash savings from moving its headquarters from New York City to Dallas and upgrading management information systems.

Dayton Hudson turned in second-quarter net profits of \$56m or 72 cents a share, double the previous year's corresponding \$28m or 34 cents. Revenues rose 15 per cent to \$3.1bn from \$2.69bn, or by 6 per cent adjusting for new stores opened in the period.

First-half net profits rose 63 per cent to \$96m or \$1.23 a share, from \$59m or 70 cents, on revenues of \$5.92bn against \$5.24bn.

Mr Kenneth Macke, chairman, attributed the strong performance to increased operating profits at the three leading divisions of the Minneapolis-based company.

Golden prospects for Corona

Robert Gibbens on the victor in the fight for Canada's top gold mine

Canadian business ethics will not be quite the same again, now that the battle over the ownership of Canada's largest single gold mine has finally been settled, after eight years of tangled litigation.

The Supreme Court of Canada last Friday upheld three lower court decisions by awarding ownership of the gold mine, worth about C\$4bn (US\$3.4bn), to Corona Corporation, which in 1980 was an asset-less creation of Mr Murray Pezzin, a Vancouver mining promoter.

The loser was Lac Minerals, a well-known Canadian mining group, which was awarded C\$210m to cover its costs for developing the mine. The money will be paid by Corona and its partner Teck Corporation of Vancouver which owns 50 per cent of the mine.

Lac, with five operating units in Eastern Canada and exploration in North America and Chile, now has C\$600m cash, but no controlling shareholder. It will, however, still be Canada's fifth largest gold producer with annual output of well over 300,000 oz and reserves of nearly Sm oz.

"It is definitely a hot takeover target with a good management team and all that cash," said a Toronto mining analyst.

The Page-Williams mine will produce nearly 500,000 oz this year and, at well below US\$200 per ounce, its direct production

is among the lowest in North America.

The mine's reserves are worth between C\$3bn and C\$4bn and present gold prices, but little exploration work has been done since 1985 because of the ownership dispute.

Mining analyst Mr John Ing

expects Corona to expand the

Page-Williams reserves and

then begin an aggressive

expansion phase in Canada

and abroad.

Page-Williams is in the Hemlo district of Northern Ontario, near the Canadian Pacific transcontinental line and the Transcanada Highway as they loop around the lonely North Shore of Lake Superior between Sault Ste Marie and Thunder Bay. It is rugged and mosquito-infested and for a long time was thought to be a valueless moose country.

Lac, with five operating units in Eastern Canada and exploration in North America and Chile, now has C\$600m cash, but no controlling shareholder. It will, however, still be Canada's fifth largest gold producer with annual output of well over 300,000 oz and reserves of nearly Sm oz.

Hemlo hit the headlines in the late 1970s as prospectors Don McKinnon and Eddie O'Neill began a staking rush to meet a fiduciary obligation by going out to buy the Page Williams property while it was still negotiating a joint venture with Corona.

Some claims on the Page-Williams property were indirectly sold to Corona. The company began developing an adjacent property and then started negotiating a joint venture with Lac for development of the more exciting Page-Williams property.

In the process, valuable confidential information was given by Corona to Lac about Page

Williams — often in bizarre circumstances because of the need for secrecy.

In 1981 a prospector's widow sold the Page-Williams property to Lac for C\$260,000 plus royalties up to \$60m. Corona's competing bid was rejected.

Corona immediately sued Lac for C\$30m, claiming that Lac bought the property using Corona's confidential information.

The court saga was under

way.

In 1986 the Ontario Supreme Court awarded ownership of Page-Williams to Corona. It ruled that Lac had failed to meet a fiduciary obligation by going out to buy the Page Williams property while it was still negotiating a joint venture with Corona.

During the long litiga-

tion, greed and hunger proportions were exposed. At one point Corona showed how Lac hired a New York private investigation firm for C\$6m to bolster its case. Finally, Lac appealed to the Supreme Court in Ottawa and lost its case.

A majority of judges agreed Lac had a fiduciary or moral obligation to Corona because of the exchange of confidential information and should have pursued the joint venture.

One judge agreed with Lac that no fiduciary obligation existed and Corona should have received cash compensation only.

Lawyers say the decision

breaks new ground in finding remedies for business breaches of fiduciary obligation.

Corona is now controlled by Mr Ned Goodman Toronto, a geologist and investment manager, and its management group headed by Mr Peter Steen. It took on Teck, the international base metals group, as partner to develop Page-Williams and another Hemlo mine.

Including its Page Williams share, Corona will have total gold production of about 650,000 oz this year and will become Canada's third largest gold producer.

Corona has just reported first-half profits of C\$10.9m or 6 cents a share on revenues of \$98m, excluding its half share of Page-Williams, down slightly on a year earlier.

It has other gold mining interests, all relatively high cost, and recently bought into a gold mining company controlled by Australian entrepreneur Alan Bond.

Corona's partner Teck entered the big league of international metal producers in 1986 by forming a consortium with Metallgesellschaft of West Germany and M.I.M. Holdings of Australia to buy control of Cominco, which is among the world's largest producers of lead and zinc, from Canadian Pacific.

It will now have gold output of about 385,000 oz a year, but is expected to remain a diversified metals group.

GFSA lifts final payout

By Kenneth Gooding, Mining Correspondent

GOLD FIELDS of South Africa, which this year reached a deal which should ensure its independence, yesterday reported that, despite a steadily falling gold price, its taxable profit for the year to June rose 11 per cent to R366.7m (\$134.3m).

Earnings per share increased from 377 cents to 403 cents and GFSA is lifting the final dividend from 125 cents to 130 cents.

The interim dividend was also increased: from 65 cents to 70 cents.

GFSA was previously 38 per cent owned by Consolidated Gold Fields of the UK, recently taken over by Hanson, the acquisitive international conglomerate. Hanson this week

sold 30 per cent of GFSA in a deal which effectively gave GFSA control of itself with Rembrandt, the South African drinks and tobacco group, as its partner.

The mining house derives about 80 per cent of its revenues from gold mine dividends — of that, four-fifths comes from Driefontein Consolidated and Kloof, South Africa's two richest gold mines.

Revenue for the year increased from R448.9m to R498.5m. Tax payments jumped from R2.1m to R4.8m. Attributable profit was R329.8m up from R307.5m to which was added an extraordinary credit of R22.7m (\$16.5m).

Beers' own diamond account revenue to R1.33bn in the six months to June from R556m.

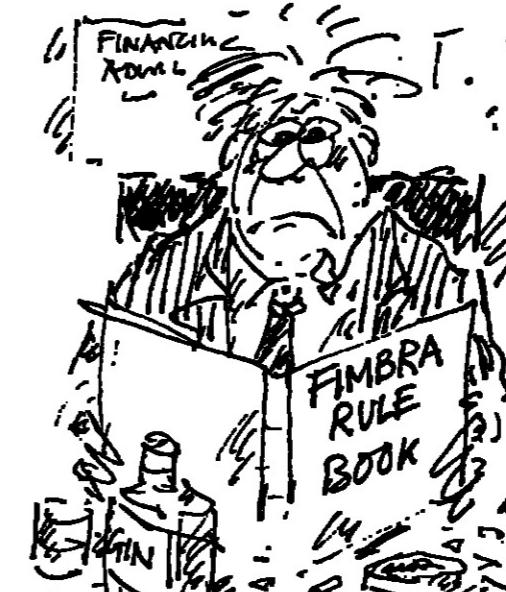
Interim pre-tax profit increased to R1.84bn from R1.19bn. Net earnings rose to 481 cents a share from 331 cents and the interim dividend has been lifted to 62.5 cents a share from 45 cents.

Prospecting and research charges rose 45 per cent to R132m during the six months, in part reflecting a stepped up exploration effort in South Africa.

The group is evaluating the Venda prospect in the northern Transvaal which was considered uneconomic for several years.

INSURANCE BROKERS

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A FINANCIAL TIMES PUBLICATION

PERSONAL COMPUTERS & SOFTWARE

The Financial Times proposes to publish a Survey on the above on

Wednesday, 27th September 1989

For a full editorial synopsis and advertisement details, please contact:

Meyrick Simmonds

on 01-873 4540
or write to him at:

Number One, Southwark Bridge
London SE1 9HL

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Banco Di Napoli
International S.A.
U.S. \$150,000,000
Floating Rate Subordinated
Notes due 1997
For the six months 14th August, 1989 to 14th February, 1990 the Notes will carry an interest rate of 8.74% per annum with a coupon amount of U.S. \$444,03 per U.S. \$10,000 Note, payable on 14th February, 1990.

<p

De Beers

Interim report for the half-year ended 30th June 1989

The following are the unaudited consolidated results for the half-year ended 30th June 1989 together with the comparative figures for the half-year ended 30th June 1988, and for the year ended 31st December 1988.

	Half-year ended 30.6.89	Year ended 31.12.88
	R millions	R millions
Diamond account	1 332	956
Investment income	338	243
Other interest	349	108
Net surplus on realisation of investments	-	9
Net recoveries of amounts previously written off	1	9
	2 020	1 314
Prospecting and research	122	74
General charges	12	18
Interest payable	49	29
	183	121
Profit before tax	1 837	1 193
Tax	471	230
Mining lease consideration	35	34
	506	264
Profit after tax	1 331	929
Profit attributable to outside shareholders in subsidiaries	100	109
Dividends on preference shares	1	2
	101	110
Attributable earnings	1 230	819
Share of retained profits after tax of associated companies	596	439
Equity accounted earnings	1 826	1 258
Share of extraordinary (losses)/profits of associated companies	(16)	398
	1 810	1 656
Dividends on equity shares	237	171
Retained profit	1 573	1 485
Earnings per equity share before extraordinary items:		
Excluding share of retained profits of associates	324c	216c
Including share of retained profits of associates	481c	331c
Dividends per equity share:		
Interim	62.5c	45c
Final		155c
Exchange rate at end of period: Rand/US Dollar	\$0.3598	\$0.4316
US Dollar/Rand	R2.7790	R2.3170
	R2.3820	

Notes

1. CSO sales for the first half of 1989 amounted to US\$2 317 million or R5 916 million compared with US\$2 201 million or R4 691 million for the corresponding period of 1988, and US\$1 971 million or R4 785 million for the second half of that year. There was a 15.5 per cent average increase in the price of gem diamonds sold by the CSO effective from the March sight.

2. Attributable earnings excluding the share of retained profits of associates converted at the 30th June 1989 rate of R2 7790 (1988: R2 3170) amounted to R443 million (1988: \$353 million), including the share of retained profits of associates earnings were \$657 million (1988: \$543 million). Comparative figures at 31st December 1988 were \$877 million and \$1 243 million respectively.

DIVIDEND

On Tuesday, 15th August 1989 the directors of the Company declared interim dividend No. 139 on the 5 ordinary and deferred shares for the year ending 31st December 1989 as follows:

Amount (South African currency)	62.5 cents
Last day to register for dividend (and for changes of address or dividend instructions)	Friday, 29th September
Registers closed from (inclusive)	Saturday, 30th September
Ex-dividend on Johannesburg and London stock exchanges	Monday, 2nd October
Currency conversion date for sterling payments to shareholders paid from London	Monday, 2nd October
Dividend warrants posted	Tuesday, 7th November
Payment date of dividend	Wednesday, 8th November
Rate of non-resident shareholders' tax	13.50 per cent

The full conditions relating to the dividend may be inspected at the head office and London office of the Company and also at the Company's transfer offices in Johannesburg and the United Kingdom.

For and on behalf of the board

J. OGILVIE THOMPSON N.F. OPPENHEIMER Directors

15th August 1989

Head Office: 36 Stockdale Street, Kimberley, South Africa
London Secretaries: Anglo American Corporation of South Africa Limited,
40 Holborn Viaduct, London EC1P 1AJ
Transfer Secretaries: Consolidated Share Registrars Limited, 40 Commissioner Street, Johannesburg,
(P.O. Box 61051 Marshalltown 2107)
Barclays Registrars Limited, 6 Greencoat Place, London SW1P 1PL

De Beers Consolidated Mines Limited

Company Registration No. 11/00007/06
(Incorporated in the Republic of South Africa)

Wells Fargo & Company

U.S. \$250,000,000

Floating Rate Subordinated Notes due 1997

In accordance with the provisions of the Notes, notice is hereby given that for the interest period:

16th August 1989 to

16th November 1989

the Notes will carry an interest rate of 9% per annum.

Interest payable on the relevant interest payment date 16th November, 1989 will amount to US\$250,000 per US\$10,000 Note.

Agent Bank:
Morgan Guaranty Trust Company of New York
London

This announcement appears as a matter of record only

SHIMADZU

Shimadzu Corporation

has acquired

Kratos Group PLC

and

Spectros Engineering Limited

The undersigned acted as financial advisor to

Shimadzu Corporation

and assisted in the negotiations

The Mitsubishi Bank, Limited

June 1989

Notice is hereby given that the interest rate for the period from 14th August, 1989 to 14th September, 1989 is 9.30%.

The Floating Rate Note interest amount payable on 14th September, 1989 is U.S. \$8.01 per U.S. \$1,000.

Bankers Trust Company, London Agent Bank

MFC Finance No.1 PLC

Mortgage Backed Floating Rate Notes Due October 2023
In accordance with the Terms and Conditions of the Notes, notice is hereby given that the new interest rates and periods in respect of the subject Notes are as follows:-

Payment Date Rate % Payment Date Rate %
Series A 2 August 1989 Series D 8 August 1989 10% 6.50%
Series B 14 August 1989 Series E 14 September 10% 6.70%
Series C 21 August 1989 Series F 21 September 10% 6.70%
By: Citibank, N.A. (CSIS Dept.)
August 16, 1989

CITIBANK

US\$250,000,000

Floating Rate Subordinated Capital Notes due August 1996

CITICORP

Notice is hereby given that the interest payable on the relevant interest payment date, August 23, 1989, for the period May 14, 1989 to August 14, 1989 against Coupon No. 20, in respect of US\$50,000 nominal of the Notes will be U.S.\$1,178.04.

August 16, 1989, London

By: Citibank, N.A. (CSSI Dept.), Agent Bank

CITIBANK

US\$42,000,000
Short-term Guaranteed Notes
Issued in Series under a
US\$80,000,000
Note Purchase Facility

Mount Isa Mines (Coal Finance) Limited

Notice is hereby given that the above Series of Notes issued under a production Loan and Credit Agreement dated 30th March, 1988, carry an interest rate of 5 1/2% per annum. The Issue Date of the above Series of Notes is 16th August, 1989, and the Maturity Date will be 16th February, 1990. The Euro-clear reference number for this Series is 84217 and the CEDEL reference number is 998940.

Manufacturers Hanover Limited
Issue Agent
(a member of The Securities Association)

16th August, 1989

INTERNATIONAL CAPITAL MARKETS

Loan set up to finance Milan sport stadium

By Andrew Freeman

SECURITY PACIFIC Bank said it had completed syndication of a £40m (\$88.7m) club loan to be used for the construction of a sports stadium in Turin, Italy, which will house the Turin and Juventus football clubs.

The borrower, Società dell'Acqua Antica Marcia, a financial services holding company, has the option of repaying the loan in full by June 1991. Alternatively, it may repay 50 per cent after two years and extend repayment on the remainder until 1998.

Terms selected will depend on the success of certain products associated with the construction of the stadium, including the sale of 3,000 stalls for VIP members and the sale of 20,000 square metres of commercial space.

• The Islamic Republic of Pakistan has a \$100m five-year medium-term loan with an option for the borrower to draw funds in DMarks as well.

There is a two-year grace period and the loan carries a margin of 1 1/4 per cent and front-end fees of 1 1/4 per cent.

The loan is co-arranged by nine banks and Australia and New Zealand Banking Group is agent bank.

Pakistan has not raised medium-term funds in the public credit markets since late 1987, when it borrowed five-year funds at 1 per cent over Libor.

• Bundabank Islands, the state-owned agricultural bank of Iceland, is seeking a DMG.5m nine-year term loan. Sumitomo Bank is arranger. The loan has a two-year grace period and carries a margin of 1 over London Interbank offered rates. Fees were not disclosed.

SEB lowered DFC's senior debt to BBB-plus from A-minus, the company's perpetual subordinated debt to BBB-minus from BBB and its US commercial paper to A- from A-1.

DFC, which is 20 per cent owned by Salomon Brothers and 80 per cent owned by New Zealand's National Provident Fund, a government statutory authority and a leading pension fund, posted a NZ\$24.52m (US\$23.89m) loss in the year to March 31 against a NZ\$21.79m profit a year earlier.

"More appropriate and realistic rating reflects their detailed understanding of DFC's business and takes into account the steps DFC has already taken to return to long-term profitability," Mr Sutton said.

ALLIANZ Leben, which is 20 per cent

owned by Salomon Brothers and 80 per cent owned by New Zealand's National Provident Fund, a government statutory authority and a leading pension fund, posted a NZ\$24.52m (US\$23.89m) loss in the year to March 31 against a NZ\$21.79m profit a year earlier.

"More appropriate and realistic rating reflects their detailed understanding of DFC's business and takes into account the steps DFC has already taken to return to long-term profitability," Mr Sutton said.

ALLIANZ Leben, the largest West German life insurance concern, said yesterday that premium income climbed 8.8 per cent in the first half of 1989 from a year earlier, amid rising personal income and growing concern about the solidity of the public pension system, AP-DJ reports from Frankfurt.

ALLIANZ Leben, in which insurance group Allianz and reinsurance company Münchener Rückversicherung (Munich Re) each hold a 44.4 per cent interest, said its premium income rose to DM3.8bn (\$2bn) from DM3.5bn.

The total volume of life insurance contracts stood at DM166.4bn at the end of June, up 8 per cent from DM154.1bn a year earlier, Allianz Leben told shareholders.

The company said it was benefiting from the public debate about the structural reform of the public pension system, strong economic growth and a lower inflation rate, which boosted real disposable income for West Germans.

The insurer's total financial assets stood at DM63.8bn at the end of June, up 9.4 per cent from DM58.1bn a year earlier.

Despite the recent rise in interest rates, the average interest return on investments was slightly below the year-earlier level, Allianz Leben said.

It saw its profit continuing the positive trend of recent years, but gave no precise forecast.

Eurobond trading quiet as targeted deals dominate

By Andrew Freeman

ACTIVITY ON the Eurobond new-issue market yesterday was limited, as syndicate managers largely concentrated on targeted deals. Secondary trading remained extremely quiet, with many trading screens not displaying prices as dealers stayed on the sidelines.

Daiwa Europe was the lead

agents. The mandate was apparently awarded some time ago on the basis of a complicated swap into monthly amortised fixed-rate sterling.

There was confusion in the market shortly after the deal's launch when a bid appeared on the brokers' screens at less than 3, a full point outside the level at which the syndicate owned the bonds.

While this was clearly a spoiling bid, there was comment that the spread of the bonds against Treasuries was very narrow given the lack of guarantee.

Previous Qantas paper, such as the 9% per cent deal maturing in November 1988, carried the state guarantee and was trading at around 75 basis points over Treasuries.

The value of the guarantee implied by yesterday's deal was much lower than it should have been, according to several traders. At the root of the debate were varying perceptions about Australia's credit.

Nikko launched a \$20m equity warrant deal for Toto Corporation. The bonds offered

an indicated coupon of 4% per cent and were quoted at 102 bid by the lead manager.

Elsewhere, Samuel Montagu brought a £60m floating-rate note issue for CARPS III. The 10-year notes offered a yield of 24 basis points over three-month Libor and are secured by a block of fixed-rate bonds.

A Montagu official said the deal had been evenly placed in conjunction with Prudential Bache between clients in Europe, the Far East and the UK. Interest was mainly from clients that had previously invested in mortgage-backed securities and collateralised securities.

Wood Gundy reopened a C\$20m deal for Canada Edcor launched in March, with a C\$50m fungible tranche.

INTERNATIONAL CAPITAL MARKETS

US Treasuries pull out of tailspin

By Karen Zagor in New York and Katharine Campbell in London

US TREASURY bonds recovered from their recent tailspin to post moderate gains in mid-day trading yesterday.

In early afternoon dealing the Treasury's new benchmark long bond, sold at the end of the quarterly refunding last week, was quoted 4 point higher at 93 1/2 for a yield of 8.12 per cent.

The debt market received some support from continuing

BENCHMARK GOVERNMENT BONDS

	Coupon	Rate	Price	Change	Yield	Week ago	Month ago
UK GILTS	13.500	9/2	107.01	-7.32	10.78	10.69	10.97
	9.750	1/2	95.14	-0.32	10.03	10.03	10.31
	9.000	10/2	95.12	-0.32	9.15	9.34	
US TREASURY *	8.125	5/2	105.28	+0.92	8.23	8.00	8.03
	8.075	2/16	105.22	+1.12	8.27	8.07	8.10
JAPAN No 111	4.600	6/28	97.0400	+0.148	5.09	5.05	5.22
No 2	5.700	3/07	106.5337	-0.001	5.00	4.98	5.05
GERMANY	7.000	2/29	102.0600	-0.150	5.69	5.64	5.64
FRANCE STAN DAT	8.000	1/24	97.8412	-0.174	8.56	8.56	8.78
CANADA	10.250	12/28	104.8250	-0.475	9.50	9.27	9.29
NETHERLANDS	7.000	3/09	98.8000	-0.103	7.00	6.98	
AUSTRALIA	12.000	7/29	94.5900	+0.053	12.28	12.00	13.43

London closing. *denotes New York morning session
Yield Local market standard
Prices US, UK in 32nds, others in decimal
Technical Data/ATLAS Price Sources

GOVERNMENT BONDS

strength of the dollar, which at mid-day was trading at Y142.25 and DMI1.9470, up from Y141.75 and DMI1.9420 late on Monday in New York. The dollar held firm, against the yen in spite of reports that the Bank of Japan would try to halt the advance of the US currency.

The debt market appears to have regained its composure after it was shaken last Friday by an anonymous Federal Reserve official who was quoted as saying that the central bank would not ease again soon. Treasuries have tumbled almost three points since last Thursday.

Yesterday the central bank did not operate, although Fed funds were trading at 9.4 per cent, slightly above the perceived target range of 9 to 9.5 per cent. Payment was due yes-

terday on last week's \$29.5bn refunding and a \$15bn cash management sale. The settling of this exceptionally large amount of Treasury sales tends to put upward pressure on the funds.

The debt market is still looking for an indication as to whether the Fed will lower interest rates further. At a White House press conference yesterday, President George Bush said: "I don't know of any president, now or in the past, who didn't want lower interest rates." He praised Mr Richard Darman, Budget Director, for his view that the Fed may be pushing the economy toward recession and that interest

rates should fall further.

■ THE "budget without gimmicks" presented by Mr Paul Keating, Australian Treasurer, was greeted nonchalantly by the financial markets. Bonds weakened slightly during the extended trading session coinciding with Mr Keating's statement to Parliament.

Initially, dealers reported some institutional buying but as more details of the 1989/90 budget emerged there was some quite heavy selling, taking yields from about 12.56 per cent to 13.02 per cent.

On the Sydney Futures Exchange, where 7,000 lots traded in the 10-year future

during the late session, prices fell, after a brief rally, to 85.98 from 87.02 before the budget announcement.

Economic commentators said that the conservative budget forecasts - of an A\$1.65bn (US\$1.41bn) deficit on the current account and inflation at 7.5 per cent - smacked of electorally engineering in the run-up to 1990 polls and were reminiscent of similar forecasts made before the 1986 election.

The announcement that the Government would be taking a leaf out of the Bank of England's book by holding reverse auctions as one method of buying in stock - with the proceeds of the higher than expected budget surplus of A\$9.2bn - failed to move the market much.

While the method, to be tested in the final quarter of this year, is itself new, the extent of net redemptions - A\$2.5bn - remains comparable with last fiscal year.

■ UK gilt-edged securities had fallen by up to 1/4 point by mid-afternoon yesterday, shadowing the unsettled prospects for sterling. However, reports of Bank of England intervention in the foreign exchange markets helped gilts recover a few ticks to end about 1/4 point lower on the day.

The Treasury 2003/07 stock was quoted 1/4 point down at 115.8 in late trading.

Integrated to sell off units

By James Buchan in New York

INTEGRATED Resources, the deeply troubled financial services company, has abandoned a plan to raise \$300m from the junk bond market to shore up its business and will instead go into partial liquidation.

The announcement came as the New York company, which overstretched itself in building a retail network selling financial planning products, went into default on one of its existing junk bonds. The company dropped its plan to raise \$300m because its shape was worse than it thought and it could not support the new debt.

Instead, Integrated will try and sell off its core financial services businesses, which comprise insurance and other financial planning products, and use the proceeds to pay off

some of its bankers and other senior creditors. If the companies could not be sold, Integrated said, they would simply be given to the creditors.

The company thinks the financial services businesses are worth up to \$25m. It owes its senior creditors about \$1bn out of a total debt of \$1.75bn. Total assets are valued at between \$1.7bn and \$1.25bn.

The company said yesterday it would record a loss of about \$60m for the second quarter to June to recognise the damage done to its businesses.

Mr Arthur Goldberg and Mr Stephen Weintraub, joint chief executives, said they would try to restructure Integrated round its other business of managing limited partnerships and property investment trusts.

Cockerill-Sambre is the state-owned Belgian steel maker, announced yesterday that it planned a BFr7bn capital increase through a public issue of shares with warrants.

If successful the operation could ultimately increase public participation in the group's share capital from below 2 per cent to an estimated 12.6 per cent.

In a statement bizarrely distributed via the local Belgian news agency on a day when the country was closed for a public holiday, the company said that the objective was "to reinforce the financial structure of the business, to provide the resources to achieve its development, to enlarge its shareholder base and to improve the

liquidity of its shares."

Cockerill-Sambre, which is quoted on the Brussels Stock Exchange, is currently 9.2 per cent owned by Belgium's Walloon Region.

The capital increase, to be put to an EGM on September 5, would involve the issue of 35m new "privileged" shares (12.6 per cent of the total) at a proposed price of BFr210.

The price, it added, "will be fixed definitively by the EGM taking into account market conditions at the time."

The new shares will carry a dividend of BFr12, running for nine and a half years, with a warrant for every two shares giving certain rights of subscription.

Cockerill-Sambre is headed by Mr Jean Gandois.

Cockerill to raise BFr7bn

By Tim Dickson in Brussels

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

FT ACTUARIES SHARE INDICES
Figures in parentheses show number of stocks per section

EQUITY GROUPS & SUB-SECTIONS		Tuesday August 15 1989						LONDON MARKET STATISTICS	
Index No.	Day's Change %	Est. Earnings Yield % (Max)	Gross Div. %	P/E Ratio (Int.)	Ex adj. to date	Mo Aug 14	Fri Aug 11	The Aug 10	Year ago (approx.)
1 CAPITAL GOODS (267)	999.69 +0.1	16.75 4.86	11.42 28.48	180.28	1031.25	1005.77	1004.44	1004.44	
2 Building Materials (29)	1218.04 -0.2	12.25 4.77	11.42 24.80	119.10	1025.57	1022.58	1019.41	1019.41	
3 Contracting, Construction (38)	2057.55 +0.1	14.65 4.86	11.42 24.80	119.10	1025.57	1022.58	1019.41	1019.41	
4 Electricals (25)	1259.92 -0.1	13.86 4.86	11.42 24.80	119.10	1025.57	1022.58	1019.41	1019.41	
5 Electronics (30)	2259.92 -0.1	8.43 3.31	11.42 24.80	119.10	1025.57	1022.58	1019.41	1019.41	
6 Mechanical Engineering (25)	542.88 -0.1	9.98 4.83	12.23 10.58	542.45	515.40	522.47	525.52	525.52	
7 Metals and Metal Forming (6)	516.24 -0.2	19.87 5.83	5.55 14.04	516.24	523.42	527.47	487.75	487.75	
8 Motors (17)	359.13 -0.2	18.69 4.29	18.94 8.35	359.05	365.12	365.48	384.99	384.99	
10 Other Industrial Materials (23)	1829.71 -0.4	8.53 3.83	13.99 34.02	137.65	1825.99	1819.18	1814.24	1814.24	
21 CONSUMER GROUP (186)	1341.43 +0.2	8.12 3.18	15.46 15.46	122.18	1382.00	1355.45	1355.45	1355.45	
22 Brewers and Distillers (22)	1515.45 +0.1	8.71 3.97	12.25 15.46	122.18	1382.00	1355.45	1355.45	1355.45	
23 Food Manufacturing (20)	2269.21 +0.2	8.71 3.97	12.25 15.46	122.18	1382.00	1355.45	1355.45	1355.45	
24 Food Retailing (4)	2469.21 +0.2	8.71 3.97	12.25 15.46	122.18	1382.00	1355.45	1355.45	1355.45	
25 Household Goods (4)	2457.59 -0.3	5.98 1.48	12.25 15.46	122.18	1382.00	1355.45	1355.45	1355.45	
26 Leisure (33)	1751.95 -0.4	7.19 3.28	12.25 15.46	122.18	1382.00	1355.45	1355.45	1355.45	
27 Packaging & Paper (15)	631.71 -0.1	9.58 4.83	13.18 9.58	631.46	619.58	626.46	626.46	626.46	
31 Publishing & Printing (15)	2843.84 +0.1	8.27 4.33	12.25 15.46	122.18	1382.00	1355.45	1355.45	1355.45	
34 Stores (34)	849.48 +0.5	18.07 4.19	12.25 15.46	122.18	1382.00	1355.45	1355.45	1355.45	
35 Textiles (55)	576.83 +0.6	18.48 5.09	11.42 15.46	122.18	1382.00	1355.45	1355.45	1355.45	
40 OTHER GROUPS (93)	1195.47 -0.2	9.44 3.97	12.25 15.46	122.18	1382.00	1355.45	1355.45	1355.45	
41 Agencies (17)	1204.83 -0.2	9.44 3.97	12.25 15.46	122.18	1382.00	1355.45	1355.45	1355.45	
42 Chemicals (22)	1204.45 -0.2	11.42 4.86	12.25 15.46	122.18	1382.00	1355.45	1355.45	1355.45	
43 Consumer Goods (33)	1204.57 -0.2	11.42 4.86	12.25 15.						

UK COMPANY NEWS

High interest rates coupled with hot weather deters shoppers MFI finalising refinancing plan

By Maggie Urry

MFI, the furniture retailer, was yesterday finalising a refinancing plan with its bankers and principal shareholders. Details are expected to be announced today. The refinancing is likely to involve raising new equity and a rescheduling of debt.

The company was formed by a £718m management buy-out in November 1987. The new funding has been necessitated by difficult trading conditions, caused by high interest rates dampening the housing market and consumers' ability to spend on large household items. The problems have been exacerbated by the hot weather which has deterred shoppers.

Other retail groups have also been suffering poor sales. Lowndes Queensway, the furniture and carpet group which was the subject of a leveraged take over last summer, is also

arranging a refunding, likely to be announced later this week. Its shares were suspended on Monday at 21½p.

The problems of highly-indebted retail groups meant that Magnet, a do-it-yourself retailer which took itself private earlier this year, had to drop plans to syndicate its debt and Ward White, the DIY and car-parts retailer, was unable to find backers for a management buy-out to rival a £900m bid from Boots, the chemist group.

MFI's refinancing is likely to be more far-reaching than original expectations of up to £30m of new equity and bridging finance. It is thought that MFI will want to be sure that sufficient funds are available to tide it over even a prolonged period of difficult trading.

Its stock market flotation which had been targeted for



Derek Hunt, chairman of MFI

next spring, will now be deferred. The group's managers would have maximised the percentage of the group's equity they could have received if the float had gone as originally planned.

Losses warning slashes Sharp & Law shares

By Philip Coggan

SHARP & LAW, the Bradford-based storefitting group, yesterday put three of its subsidiaries up for sale in a bid to reduce borrowings and warned that it would incur "substantial losses" in the half year to June 30.

The group's shares yesterday fell 20p to 30p, compared with the 205p they touched in May 1988 and the 125p at which they were trading in March this year.

The company is selling BFN, a manufacturer of shelving

systems, Giblin Lavault, a French shopfitter and Internal Partition Systems, a supplier and installer of office partitions. All three companies have been acquired since the company joined the USM in May 1987.

The sales, which are being arranged through Arthur Young Corporate Finance, will effectively leave the group with the businesses it owned at the time of its flotation.

Mr Brian Considine, chair-

MFI has been trading at below the sales budgets in the management buy-out plan. Operating profits for the year to end April were £91.5m, against the £100m target. Current year profits are likely to fall sharply from that level.

MFI has £300m of debt, and despite interest rate caps, the interest payments were expected to rise from last year's £50.3m.

The group has already made staffing cut backs and held back on capital expenditure. It has recently launched a new range of bedroom and kitchen furniture under the Schreiber name, which it acquired last autumn, and hopes that this will help sales to pick up.

The principle institutions involved in the refinancing are County NatWest, Charterhouse Development Capital and Chemical Bank.

These concerned a DTT probe into share sales made by the directors in March 1988, ahead of the publication in May of interim results which disappointed the City.

These press reports also highlighted Mr Sealock's re-appointment last week as chief executive of Throgmorton Trust, the investment trust.

The three said yesterday they were receiving legal advice with a view to taking action against the Sunday Times.

Referring to a story it ran on August 13, they said the suggestion that the directors misled shareholders about the company's current trading or future prospects at the AGM on February 18 1988 was totally untrue. Further, the allegation that each of them had been guilty of insider trading by selling shares in March 1988 knowing that the company's trading performance was deteriorating was wholly without foundation."

Mr Hutchison added that he personally sold no shares at the time. The sales of 300,000 shares were made by two trusts. He was a beneficiary of one, and members of his family were beneficiaries of the other. He said he "was not, and is never, considered for the Trustees or on their behalf responsible for the performance of the company."

Mr Dougall's resignation did not relate to any trading difficulties, said Mr McKeown.

In each of the past two

Powerscreen shares fall after chairman resigns

By Vanessa Houlier

MR PATRICK Dougan yesterday resigned as chairman and chief executive of Powerscreen International, the Northern Ireland-based manufacturer of crushing and screening equipment. The company said it continues to reject the "forlorn" offer.

Lilley, and its adviser Salomon Brothers, also own 9.84 per cent of Tilbury, and claim control of 24.1 per cent.

appointing a chairman, who was a well-known City figure.

There had been no major boardroom disagreements, Mr McKeown said, although there had been some lack of consensus about its acquisition of Belknap Pottery last April, which is seen as being peripheral to Powerscreen's main interests.

Mr Dougan's resignation did not relate to any trading difficulties, said Mr McKeown.

This announcement appears as a matter of record only

July 1989

Lira 40,000,000,000

Construction and Project Financing

Società Dell'Acqua Pia Antica Marcia Per Azioni

The New Sports Stadium Turin

for the 1990 World Cup Soccer Series

Funding provided by:

Security Pacific Bank AG
Japan Leasing (Europe) PLC
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Canadian Imperial Bank of Commerce
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Istituto Bancario San Paolo di Torino
London Branch

As Italian Paying Agent, Trustee Bank:
Istituto Bancario San Paolo di Torino
Turin Head Office

The undersigned structured,
arranged and advised on this transaction.

Project and Leisure Finance Group
Security Pacific Bank AG, Frankfurt

Security Pacific Merchant Bank is the business name of Security Pacific National Bank

Acatos directors deny insider dealing

By Clare Pearson

THREE DIRECTORS of Acatos & Hatchett, whose share dealings are under investigation by the Department of Trade and Industry, yesterday said they were "completely confident" the inspectors would clear them of "any infringement of the Company Securities (Insider Dealing) Act, or any other wrongdoing."

But Mr Bob Sealock, the fourth director whose sale of shares in the edible oils and fats manufacturing company are being investigated, made no statement yesterday.

The announcement by the three, Mr Ian Hutchison, chairman, Mr Jim Weir, finance director, and Mr Gary Johnson, followed weekend press reports.

These concerned a DTT probe into share sales made by the directors in March 1988, ahead of the publication in May of interim results which disappointed the City.

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Mr Dougall's resignation did not relate to any trading difficulties, said Mr McKeown.

In each of the past two

River Plate to circulate rival plans to TR Australia holders

By Nicki Taft

A PROXY battle is set to break out over TR Australia, the £25m investment trust managed by Touche Remnant which is currently seeking to change its investment policy to that of a higher-yielding Far Eastern fund.

River Plate & General, holder of 29.9 per cent of TR Australia's voting rights, said last night that it planned to circulate shareholder with rival plans — probably next week. This would involve giving shareholders the option of a cash exit route from the trust at close to underlying asset value, or of remaining invested in a successor trust with an investment policy similar to that suggested by TR Australia.

River Plate disclosed its plans in the wake of news that

the Prudential, Britain's largest institutional investor, had sold 12.66 per cent voting interest in the trust. County NatWest Wood Mackenzie, which is advising TR Australia, said it had placed the shares in hands which are supportive of TR's proposals.

This is the second major stake which Wood Mackenzie has placed out in "friendly" hands. A 6.17 per cent holding belonging to International Financial Markets Trading, a City-based investment trading organisation, was sold via the brokers earlier this month.

Yesterday, however, Mr John Duffield, of Jupiter Tarbut, which manages River Plate, said River Plate was querying the Takeover Panel's

decision to accept the proposal.

River Plate, however, attacked the past performance record of the trust and maintained that shareholders should be given a chance to come out for cash.

Disclosure change at Barclays

By David Barchard

BARCLAYS, the largest of the big four UK clearing banks, is writing to 140 public companies to notify them formally of the state it holds in them including managed investment portfolios for pension funds, unit trusts and private customers.

Until now, banks have not normally included holdings of this kind when disclosing their stakes in quoted companies.

A spokesman for Barclays said yesterday that the bank had taken legal advice on its disclosure procedures in the wake of the Blue Arrow affair.

Lloyds Bank said yesterday that it had recently set in motion a similar review of its shareholdings to that carried out by Barclays and it expected to make an announcement in the near future.

Pifco beats City expectations

By John Riddings

PIFCO HOLDINGS, the manufacturer of small electrical appliances including hairdryers, toasters and torches, yesterday announced pre-tax profits of £2.85m for the year to April 30, an increase of 41 per cent over the comparable period.

The results exceeded expectations and shares rose sharply from 33p to 42p and the limited-voting A shares from 32p to 33p.

The improvement largely reflected an improvement in margins, which rose from 3.6 per cent at the operating level to 11.8 per cent. Turnover increased 9 per cent to £20.8m.

Mr Michael Webber, chairman, said that the improved margins reflected rationalisation at its Carmen personal care subsidiary, acquired at the end of 1987. It also reflected the introduction of new products and increased efficiency in warehousing and distribution.

He said that despite the difficult retail market, sales of small appliances were proving resilient and that whereas white goods had seen volumes fall by 5.1 per cent in the 24 weeks to the end of June, small appliances volumes had increased by 1.3 per cent.

Pifco said that it was considering a number of acquisitions in the UK and overseas and that any purchase would probably be financed by debt.

In addition, advertising expenditure on its three brand names — Pifco, Carmen and Saiton — would be increased to about £1m in the current year.

Taxable profits were also boosted by an increase in investment income, from £198,000 to £260,000. Earnings per share rose from 35.5p to 52.5p and the final dividend of 7p gives a total for the year of 12.5p.

A one-for-one scrip issue is also proposed to improve the marketability of the shares.

Mr Webber said that Pifco had considered reforming the share structure, which analyst believe is partly responsible for restricting the company's price earnings ratio to 4, assuming pre-tax profits of £3.3m in the current year.

However, he said that "we don't believe franchising the A shares (which have one-quarter of a vote) is appropriate at the moment."

DIVIDENDS ANNOUNCED					
	Current payment	Date of payment	Coupons pending dividend	Total for year	Total last year
BPFT	Int 0.37	Oct 9	0.2	-	0.7
First Scot Amer	Int 7	Oct 2	6	-	16.8
Pifco	Int 7	-	-	5.5	12
Rea Brothers	Int 0.25	-	-	0.25	-
USDCD for Trust	Int 1	Oct 6	1	-	0.5

Dividends shown pence per share not except where otherwise stated. *Equivalent after allowing for scrip issue. **On capital increased by rights and/or acquisition issues. \$USM stock. \$SUS quoted stock. #Third market.

BOARD MEETINGS

	FUTURE DATES
Interstate	Sept. 5
Alpha Properties	Sept. 5
Brinsford	Sept. 20
Blue Arrow	Sept. 21
Cheltenham Waterworks	Sept. 14
Hartley Docks & Harbour	Sept. 23
Portman	Sept. 23
Plast	Sept. 23
Edmond Holdings	Sept. 24

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TRIANGLE TRUST plc

to be renamed

THE MAYFLOWER CORPORATION plc

(Incorporated in England under the Companies Act 1948 — No. 820979)

PLACING

of

2,659,513 Ordinary Shares of 20p each at 75p per Share

by SHEARSON LEHMAN HUTTON SECURITIES

RIGHTS ISSUE

of up to

5,633,820 Ordinary Shares of 20p each at 75p per Share

in connection with the proposed acquisition of Timewell (RPHM) Limited

Lookers heads south with £14.7m SMAC purchase

By Clare Pearson

LOOKERS, the Manchester-based car dealer, is making a £14.7m recommended offer for SMAC, a group of Essex dealerships, and at the same time is raising about £6m via a rights issue, its first since going public 16 years ago.

The agreed bid comes less than a year after SMAC floated on the main market and marks Lookers' debut move into the southern counties of England.

The offer, 69 convertible preference shares and 546 cash or loan notes, values every 100 SMAC shares, values each share at 115p, a 27 per cent premium over the closing price on August 14. Directors speaking for 52 per cent of SMAC shares have accepted the offer. At flotation the share price was 83p.

ATP seeks holder's identity

By Vanessa Houlder

AT P COMMUNICATIONS Group, the USM quoted advertising agency formerly known as Moss Trust, is trying to discover the identity of Canel Corporation, a shareholder that has raised its stake from 16.7 per cent to 19.6 per cent of the company.

Canel this week bought a further 315,114 shares through its acquisition of Morrow, another shareholder in Moss Trust.

All-round growth lifts EFT 36%

EFT GROUP, the former Edinburgh Financial Trust, yesterday reported progress across its range of financial services in the six months to June 30 1988.

Mr Peter Stevenson, chairman, said that the issuing house division registered fee income higher than in any previous six month period, while the asset finance side increased net outstanding receivables to

Woodchester Investments, Lookers' 29.8 per cent shareholder, has undertaken to take up its entitlement under the rights issue, which is of convertible preference shares on the basis of one for every three ordinary shares.

The intentions of Sunderland-based motor group T Cowle, which controls a 10.7 per cent stake, are not known.

Mr Ken Martindale, Lookers' chairman, said his company had been holding back from moving into the south-east because it wanted to do so only with a big enough base. SMAC would provide this.

"Since south-east motor dealers are having a harder time than those in the north at the moment, we think now is the time to go in," he said. It also

brings new franchises such as Rolls-Royce.

Lookers is forecasting pre-tax profits of at least £5.8m in the year to end-September, against £5.2m last time.

It said that despite higher interest rates demand for motor vehicles in its areas of operation has been holding up well. However, the agricultural machinery division has been severely affected by the reduction in farm incomes, and is likely, at best, to break even for the year.

SMAC made pre-tax profits of £1.4m on sales of £93.8m in the year to end-December 1988.

It said in April that strong demand was continuing, except from the market for second-hand executive cars, which had seen some slowdown.

that are to be retained.

Borrowings, which stood at £1.98m on June 30, have fallen to below £600,000, after taking into account the proceeds of the sale of Ash Gupha, a former subsidiary.

He added that the company has continued to win new business, particularly at ATP Advertising and Marketing in Leeds, where new billings for the current year are forecast to exceed £2m.

Corporate restructuring in mind at Parkfield

By Philip Coggan

ME ROGER FELBER, chairman of Parkfield, the multi-conglomerate, commented at the group's annual meeting yesterday on rumours of a possible major corporate restructuring.

"Clearly this speculation, and it is no more than speculation", said Mr Felber, "has arisen through certain outside parties having come to the conclusion that the value of the constituent parts of the group

is considerably in excess of our current share price."

Your board has been aware of this fact for some time and we have, of course, been considering this situation and all of its ramifications", he added.

Parkfield has built up its entertainment division in recent years and is frustrated that its market rating remains closer to the engineering than to the media sector.

Whitegate Leisure turns in £33,000

WHITEGATE Leisure, the acquisitive vehicle of Mr Nick Oppenheim and Mr James Maynor which came to the Third Market in November, yesterday unveiled audited interim figures covering the six months to July 2 1988.

On turnover of £2.41m, pre-tax profits amounted to £23,000. The outcome was struck after administrative expenses of £714,000 and interest receivable of £255,000. Earnings per share were 0.07p.

Whitegate is engaged in the operation of residential and nursing homes, discothèques and related leisure industries

Campbell & Armstrong clarification

CAMPBELL & ARMSTRONG points out that the statement by Professor Roland Smith, chairman, at last week's annual meeting was not a profit warning.

He said, in part, that group turnover had fallen short of internal budgets in the first quarter and noted "a significant reduction in the order book that relates to traditional high margin retail business which will impact on margins in the short term."

Metamorphic Miss World will have to look abroad

By Philip Coggan

THE TRANS WORLD Communications. Step forward, Trans World Communications. The beauty contest company is changing its name after six years on the Unlisted Securities Market.

Lovers of the annual parade of pulchritude can rest easy. The competition goes on, with Miss USSR set to join this year ("My name is Rose, and my hobby is shopping in the West".)

But leaders of the Guardian women's page may choke on their Aqua Libras when they discover that their favourite newspaper group owns a 16.7 per cent stake in Miss World (sorry, Trans World) and that Mr Harry Rose and Mr Stanley Porter, respectively the Guardian's chairman and finance director, are joining the board.

Despite its venerable age (38 this year), the contest retains its ability to provoke feminists, and many others besides. But Mr Rose said that the views of Guardian readers were not a significant consideration behind his decision to join the board. The stake is part of the Guardian's range of media investments, which include 5 per cent of Anglia TV and 10 per cent of Broadcast Communications, a TV production company.

The change of name to Trans World reflects the arrival of Mr Owen Oyston's Red Rose Radio company, which merged with Miss World, founded by Mr Eric Morley, in 1988. The combined group then launched a successful bid for Piccadilly Radio, the Manchester-based radio station and radio now constitutes the bulk of the company's business.

Mr Oyston denied yesterday that Trans World Communications was too grand a name for a company with radio interests stretching all the way from Preston to Cardiff.

"We have to look ahead" he said, pointing out that Independent Broadcasting Authority restrictions prevent the group from expanding its UK radio interests any further. The new title is perhaps slightly less ambitious than the previously mooted moniker - World Radio and Leisure.



Kembrey brews £4m rescue of SI with reverse takeover

By Andrew Hill

KEMBREY Group, a private machinery trader and manufacturer of engineering components, is to reverse into the troubled SI Group as part of a £4m rescue plan.

SI, which makes cooling equipment for brewing and catering, will more than double its share capital with the issue of 40m new ordinary shares, worth £4m, to Kembrey.

The private company will hold nearly 69 per cent of the enlarged SI.

On the third anniversary of the deal, SI will also issue up to 500,000 redeemable preference shares.

Because of the size of the deal, SI shares have been

suspended at 10p until the proposals have received shareholder approval.

In the 11 months to May 31, Kembrey reported a profit of £519,000 before tax on sales of £6.81m.

Mr Robert Burns and Mr Michael Cleary, respectively Kembrey's chairman and managing director, will become deputy chairman and managing director of the enlarged SI.

Mr Allen Standley, one of Kembrey's non-executive directors and a partner in Schroder Venture Advisers, will also join the board.

Mr Eddie Johnson and Mr Michael Pritchard are to resign as non-executive directors of SI.

RTZ sells SA assets for £29.5m

By Kenneth Gooding, Mining Correspondent

RTZ Corporation, the world's biggest mining group, has sold for £29.5m some South African assets acquired in its recent takeover of British Petroleum's metals and minerals operations.

RTZ said it made a profit of £8.7m on the shareholdings which were purchased in January.

Anglo is taking a first-time 15.4 per cent interest in Unisel.

RTZ has also placed separately for £2.3m an 11.8 per cent stake in Gold Fields Namibia, a company managed and effectively controlled by Gold

Fields of South Africa.

RTZ said the shareholdings had been sold in line with its policy of having wholly-owned subsidiaries or management control of its investments whenever possible.

Analysts expect that among the next former BP asset to be sold by RTZ will be a 30 per cent stake in Oryx Gold, a world-class mine also in the Orange Free State and developed by Gencor which has a 52 per cent interest.

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Monument Oil and Gas doubles to £2.56m

By Hugo Dixon

MONUMENT Oil and Gas, a USM quoted exploration and production company, is acquiring 75 per cent of Caramel, a Paris-based sales promotion agency, for an initial cash payment of FF 3m (£300,000).

The purchase has a potential maximum consideration of FF 15m, pegged in part to Caramel achieving profit targets during the years to end-March 1993.

Caramel's clients for its marketing consultancy, graphic design, direct marketing and promotions services include Nestle, Buitoni and Gillette.

FKB also has an option to

purchase the outstanding 25 per cent based on the average after tax profits of the French company during the two years ending March 1994. The option is exercisable from April 1 1994 with a maximum consideration of FF 7.5m.

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COMMODITIES AND AGRICULTURE

CAP reform and drought boost rapeseed prices

By Bridget Bloom, Agriculture Correspondent

THE COMBINATION of lack of rain and successful European Community budget reforms have pushed up EC oilseed rape prices by more than 30 per cent compared with last year.

Although some weakening in prices was reported yesterday, East Anglian farmers have been receiving up to £300 a tonne for September delivered rapeseed compared with about £220 a year ago.

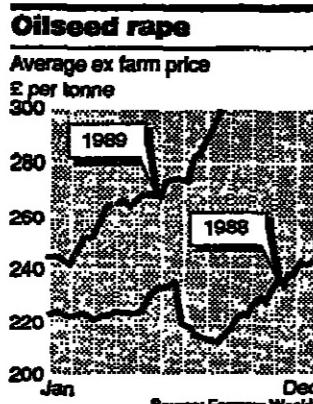
October and November deliveries have been fetching £203 and £205 a tonne compared with £222 and £220 the same period last year.

The market's increases stem from lower plantings in the UK and France, the EC's principal rapeseed producers, mainly due to the so-called budget stabiliser which last autumn lowered EC guaranteed prices by nearly 8 per cent.

However, lower yields are also the result of near-drought conditions in France and to a lesser extent in Britain, West Germany and Denmark.

According to industry sources, crushers of the oilseed, which is used mainly for edible oils and animal feed, may have to import 400,000-700,000 tonnes to make up an estimated shortfall in their crushing capacity.

The European rapeseed harvest started earlier than usual and is now nearing completion in the UK, where estimates for the total crop vary between



350,000 and 1m tonnes compared with just over 1m tonnes last year.

According to trade estimates, the Community harvest is likely to be between 4.7m and 4.9m tonnes, compared with just under 5.3m tonnes last year. The precise figure, to be announced by the European Commission later this month, is critical, for on it depend farm-gate prices.

In its February 1988 reforms of the common agricultural policy the EC set a ceiling for oilseed rape production, known as the maximum guaranteed quantity, of 4.5m tonnes. If this is exceeded, price cuts apply. On current production estimates, guaranteed prices would be cut by between 4 and 5 per cent.

EC subsidies on oilseed rape are actually paid, not to the farmer but to the crusher, being designed to compensate the crusher for using EC grown seed rather than the cheaper supplies available on the world market.

Subsidy rates vary according to this world price; when it is high, as it was a year ago following the US drought, the EC subsidy is relatively low. However, if world prices are low as they were in the mid-1980s the EC subsidy rises.

With world prices declining partly thanks to reports of an improved US soybean harvest, the EC subsidy rate has risen over the past few weeks, being £163 a tonne in the UK yesterday for the newer so-called double low variety.

Among longer term implications of the current price rise, apart from the crushers' probable need to import, is the possibility that farmers will plant more rapeseed this autumn - thus risking price cuts through the stabiliser for next year.

It is also possible that EC spending on the sector will again increase with lowering world prices. The stabilisers were introduced to curb budget spending which, with open-ended deficiency payments, had risen from Ecu1.7bn in 1984 to Ecu2.7bn in 1987.

Last year, the first year of the stabilisers, expenditure was Ecu2.9bn. This year's budget estimate is Ecu2.9bn, with a provisional Ecu3.4bn set for 1990.

Speculation, meanwhile, is inevitably mounting as to who will succeed him as deputy director in DG VI which, in the absence of a national quota system at that level of the Brussels administration, is informally a traditional British preserve.

The two front runners are thought to be Mr David Roberts, the agricultural expert at the UK Representation in Brussels, and Mr Graham Avery, who has played an important role in helping shape the Community's agricultural structures and forstry policy.

Speaking from his home in Brussels yesterday Mr Pooley was typically giving most of the credit for recent farm policy successes to his beloved dog Sam - an animal who has featured as the source of all wisdom in many of his more memorable speeches and who was even mentioned earlier this year in a report from Brussels on BBC radio.

Sam's many fans will be alarmed to hear that he was attacked earlier this week by a ferocious stray and in the ensuing mêlée his master fractured his leg (thereby confining him to bed, covered in plaster from thigh to toe). Both patients, however, were last night reported to be "doing well."

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LONDON STOCK EXCHANGE

Steadier nerves in the equity sector

THE UK stock market managed to recover at least some of its nerve yesterday and, in the continued absence of significant selling pressure, share prices turned in a steady performance. Market strategists suggested that last month's fall in UK retail sales had been largely discounted in the equity market and confidence appeared steadier ahead of the data on domestic inflation and wage trends due before the end of the week.

With the pound still generally healthy, although easier yesterday, fears of a further rise in UK base rates have lessened — although there was little support for suggestions that

tomorrow's disclosure of average earnings statistics for June, which could provide a pointer to important wage negotiations in the motor industry this autumn.

A firm opening in equities yesterday was ascribed to buy closing by market makers who sensed that share prices had little further to fall. Turnover was thin, and gains in market indices were encouraged by a rally in shares on BAT Industries.

Lack of genuine investment interest then took the heart out of the market and shares drifted lower before rallying ahead of Wall Street's opening. When New York came in on a

mixed note, London moved around its overnight level before closing a touch firmer on the day. The final reading of 2,326.2 on the FT-SE Index showed a net rise of a mere 0.3. Seat volume at 436.7m shares compared with 434.9m on Monday when the market fell by 26 Footsie points.

Among the retail stocks, which took the brunt of the shakeout in the previous session, GUS shares were firmer, although not particularly active, and Marks & Spencer stayed around overnight levels. With the exception of ICI, most of the international blue chips edged forward. The table below shows the performance of

shares in the FT Ordinary Share Index since the Crash of October 1987.

The takeover front was less active, with BTR a shade easier as London continued to wait for further information from Kohlberg, Kravis, Roberts, the US group which has disclosed its intention to take a stake. There was no reaction in Plessey shares, which are still underpinned by the cash offer from GEC/Siemens to reported attempts to find a white knight.

Traders commented that much of yesterday's action in the market's leading blue chip stocks was led by the share futures market.

Changing verdict on RHM

Ranks Hovis Macdonald returned to favour as the market took a more positive stance on a stock that was hit hard by Sir James Goldsmith's bid for BAT Industries. Sunningdale, a vehicle owned jointly by Goldsmith, Mr Kerry Packer and Mr Jacob Rothschild, owns 26.9 per cent of RHM and since the BAT's bid, the food group's shares have languished on the belief that Sunningdale would never make an offer for RHM while the BAT's situation was unresolved.

Opinions are now changing. Analysts point out that Sunningdale's stake is costing the Goldsmiths a lot of money and it is unlikely that it will want to sit on the shares for the duration of what could be a long, hard-fought battle for BAT. A full bid from Sunningdale, or the sale of the stake to another predator is not being ruled out by the market.

All favouring RHM is the group's 15 per cent holding in Goodman Fielder Wattie of Australia, the value of which has risen sharply following the recent surge in Australian stock prices. RHM could now liquidate its holding without suffering the loss many had feared, say analysts.

The good weather in the UK should also benefit RHM via its milling operation, as current indications point to bumper crops in the coming wheat harvest. Finally, in the wake of this summer's underperformance, researchers believe RHM shares are good value. RHM peaked at 46p in early trading, before dropping back to close at 46p higher at 46p on turnover of 1.3m shares.

Wellcome wary

Wellcome was one of the few FT-SE 100 stocks to achieve a double digit price change in a generally narrowly traded equity market. The shares weakened sharply as dealers and investors turned wary ahead of the decision by US regulatory authorities to be revealed tomorrow, on the possible wider distribution of a rival to Retrovir. Wellcome's money-spinning anti-Aids drug, the rival drug, named DDI and made by Bristol-Myers of the US, is likely to win qualified approval, which allows the drug to be distributed on humanitarian grounds to patients not involved in trials. Bristol-Myers would have to deliver the drug at cost.

The City consensus is that DDI is unlikely to hurt Retrovir. It may even have a benefi-

Account Dealing Dates		
Fri, Dec 1	Sat, Dec 2	Sun, Dec 3
Sat, Dec 2	Sun, Dec 3	Sat, Dec 9
Sun, Dec 3	Sat, Dec 9	Sat, Dec 16
Sat, Dec 9	Sun, Dec 10	Sat, Dec 16
Sun, Dec 10	Sat, Dec 16	Sat, Dec 23
Sat, Dec 16	Sun, Dec 17	Sat, Dec 23
Sun, Dec 17	Sat, Dec 23	Sat, Dec 30
Sat, Dec 23	Sun, Dec 24	Sat, Dec 30
Sun, Dec 24	Sat, Dec 30	Sat, Jan 6
Sat, Dec 30	Sun, Dec 31	Sat, Jan 6
Sun, Dec 31	Sat, Jan 6	Sat, Jan 13

rates might be cut this autumn, perhaps ahead of the political party conference season.

The City of London appears to be braced for news on Friday of an unchanged annualised inflation rate of 8.3 per cent in July. Attention is perhaps more keenly focussed on a

cial effect on Retrovir sales since the two drugs may be used together in a mixture. Wellcome closed 16 lower at 505p.

Rothmans International attracted inquiry from investors looking for a first-class hedge against weak sterling, coupled to financial and brand strength along with defensive earnings. The shares were particularly good late and rose to 627p, up 15, with a trader remarking that the stock was one of the best break-up targets around. BAT Industries settled down after Monday's gyrations to end 16 higher at 525p.

Standard Chartered featured with a rise of 5 to 530p as investors bought stock in anticipation of today's interim results. The range of forecasts is relatively wide with brokers offering different estimates of what should be sizeable provisions against problem-country debt. County NatWest Wood-Mat conservatively expects £150m before provisions, which it thinks will come in around £250m.

Elsewhere in the banks sector there was decent turnover as investors switched in and out of leading stocks following Monday's spate of ex-dividends.

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A full bid from Sunningdale, or the sale of the stake to another predator is not being ruled out by the market.

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Analysts point out that Sunningdale's stake is costing the Goldsmiths a lot of money and it is unlikely that it will want to sit on the shares for the duration of what could be a long, hard-fought battle for BAT.

A full bid from Sunningdale, or the sale of the stake to another predator is not being ruled out by the market.

All favouring RHM is the

group's 15 per cent holding in Goodman Fielder Wattie of Australia, the value of which has risen sharply following the recent surge in Australian stock prices. RHM could now liquidate its holding without suffering the loss many had feared, say analysts.

The good weather in the UK should also benefit RHM via its milling operation, as current indications point to bumper crops in the coming wheat harvest.

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LONDON SHARE SERVICE

AMERICANS - Contd

BUILDING, TIMBER, ROADS - Contd

	Price	Yield	Div.	Ctr.	Yrs.
1987	Out				
241	Gen Elect	35%	\$1.00	3.0	2.9
566	General Hosp Corp	5000	3.0	3.8	
294	Gen Elec Inc	201	4.0	3.0	
110	Gen Elec Inc B	101	4.0	3.0	
116	Gen Elec Inc C	21	4.0	3.0	
141	Gen Elec Inc D	111	4.0	3.0	
151	Gen Elec Inc E	111	4.0	3.0	
152	Gen Elec Inc F	111	4.0	3.0	
153	Gen Elec Inc G	111	4.0	3.0	
154	Gen Elec Inc H	111	4.0	3.0	
155	Gen Elec Inc I	111	4.0	3.0	
156	Gen Elec Inc J	111	4.0	3.0	
157	Gen Elec Inc K	111	4.0	3.0	
158	Gen Elec Inc L	111	4.0	3.0	
159	Gen Elec Inc M	111	4.0	3.0	
160	Gen Elec Inc N	111	4.0	3.0	
161	Gen Elec Inc O	111	4.0	3.0	
162	Gen Elec Inc P	111	4.0	3.0	
163	Gen Elec Inc Q	111	4.0	3.0	
164	Gen Elec Inc R	111	4.0	3.0	
165	Gen Elec Inc S	111	4.0	3.0	
166	Gen Elec Inc T	111	4.0	3.0	
167	Gen Elec Inc U	111	4.0	3.0	
168	Gen Elec Inc V	111	4.0	3.0	
169	Gen Elec Inc W	111	4.0	3.0	
170	Gen Elec Inc X	111	4.0	3.0	
171	Gen Elec Inc Y	111	4.0	3.0	
172	Gen Elec Inc Z	111	4.0	3.0	
173	Gen Elec Inc AA	111	4.0	3.0	
174	Gen Elec Inc AB	111	4.0	3.0	
175	Gen Elec Inc AC	111	4.0	3.0	
176	Gen Elec Inc AD	111	4.0	3.0	
177	Gen Elec Inc AE	111	4.0	3.0	
178	Gen Elec Inc AF	111	4.0	3.0	
179	Gen Elec Inc AG	111	4.0	3.0	
180	Gen Elec Inc AH	111	4.0	3.0	
181	Gen Elec Inc AI	111	4.0	3.0	
182	Gen Elec Inc AJ	111	4.0	3.0	
183	Gen Elec Inc AK	111	4.0	3.0	
184	Gen Elec Inc AL	111	4.0	3.0	
185	Gen Elec Inc AM	111	4.0	3.0	
186	Gen Elec Inc AN	111	4.0	3.0	
187	Gen Elec Inc AO	111	4.0	3.0	
188	Gen Elec Inc AP	111	4.0	3.0	
189	Gen Elec Inc AR	111	4.0	3.0	
190	Gen Elec Inc AS	111	4.0	3.0	
191	Gen Elec Inc AT	111	4.0	3.0	
192	Gen Elec Inc AU	111	4.0	3.0	
193	Gen Elec Inc AV	111	4.0	3.0	
194	Gen Elec Inc AW	111	4.0	3.0	
195	Gen Elec Inc AX	111	4.0	3.0	
196	Gen Elec Inc AZ	111	4.0	3.0	
197	Gen Elec Inc BB	111	4.0	3.0	
198	Gen Elec Inc BC	111	4.0	3.0	
199	Gen Elec Inc BD	111	4.0	3.0	
200	Gen Elec Inc BE	111	4.0	3.0	
201	Gen Elec Inc BF	111	4.0	3.0	
202	Gen Elec Inc BG	111	4.0	3.0	
203	Gen Elec Inc BH	111	4.0	3.0	
204	Gen Elec Inc BI	111	4.0	3.0	
205	Gen Elec Inc BJ	111	4.0	3.0	
206	Gen Elec Inc BK	111	4.0	3.0	
207	Gen Elec Inc BL	111	4.0	3.0	
208	Gen Elec Inc BN	111	4.0	3.0	
209	Gen Elec Inc BO	111	4.0	3.0	
210	Gen Elec Inc BR	111	4.0	3.0	
211	Gen Elec Inc BS	111	4.0	3.0	
212	Gen Elec Inc BT	111	4.0	3.0	
213	Gen Elec Inc BU	111	4.0	3.0	
214	Gen Elec Inc BV	111	4.0	3.0	
215	Gen Elec Inc BW	111	4.0	3.0	
216	Gen Elec Inc BX	111	4.0	3.0	
217	Gen Elec Inc BY	111	4.0	3.0	
218	Gen Elec Inc BZ	111	4.0	3.0	
219	Gen Elec Inc CA	111	4.0	3.0	
220	Gen Elec Inc CB	111	4.0	3.0	
221	Gen Elec Inc CC	111	4.0	3.0	
222	Gen Elec Inc CD	111	4.0	3.0	
223	Gen Elec Inc CE	111	4.0	3.0	
224	Gen Elec Inc CF	111	4.0	3.0	
225	Gen Elec Inc CG	111	4.0	3.0	
226	Gen Elec Inc CH	111	4.0	3.0	
227	Gen Elec Inc CI	111	4.0	3.0	
228	Gen Elec Inc CJ	111	4.0	3.0	
229	Gen Elec Inc CK	111	4.0	3.0	
230	Gen Elec Inc CL	111	4.0	3.0	
231	Gen Elec Inc CM	111	4.0	3.0	
232	Gen Elec Inc CN	111	4.0	3.0	
233	Gen Elec Inc CO	111	4.0	3.0	
234	Gen Elec Inc CP	111	4.0	3.0	
235	Gen Elec Inc CR	111	4.0	3.0	
236	Gen Elec Inc CS	111	4.0	3.0	
237	Gen Elec Inc CT	111	4.0	3.0	
238	Gen Elec Inc CU	111	4.0	3.0	
239	Gen Elec Inc CV	111	4.0	3.0	
240	Gen Elec Inc CW	111	4.0	3.0	
241	Gen Elec Inc CX	111	4.0	3.0	
242	Gen Elec Inc CY	111	4.0	3.0	
243	Gen Elec Inc CZ	111	4.0	3.0	
244	Gen Elec Inc DA	111	4.0	3.0	
245	Gen Elec Inc DB	111	4.0	3.0	
246	Gen Elec Inc DC	111	4.0	3.0	
247	Gen Elec Inc DD	111	4.0	3.0	
248	Gen Elec Inc DC	111	4.0	3.0	
249	Gen Elec Inc DE	111	4.0	3.0	
250	Gen Elec Inc DF	111	4.0	3.0	
251	Gen Elec Inc DG	111	4.0	3.0	
252	Gen Elec Inc DH	111	4.0	3.0	
253	Gen Elec Inc DI	111	4.0	3.0	
254	Gen Elec Inc DJ	111	4.0	3.0	
255	Gen Elec Inc DK	111	4.0	3.0	
256	Gen Elec Inc DL	111	4.0	3.0	
257	Gen Elec Inc DM	111	4.0	3.0	
258	Gen Elec Inc DN	111	4.0	3.0	
259	Gen Elec Inc DP	111	4.0	3.0	
260	Gen Elec Inc DR	111	4.0	3.0	
261	Gen Elec Inc DS	111	4.0	3.0	
262	Gen Elec Inc DT	111	4.0	3.0	
263	Gen Elec Inc DU	111	4.0	3.0	
264	Gen Elec Inc DV	111	4.0	3.0	
265	Gen Elec Inc DW	111	4.0	3.0	
266	Gen Elec Inc DX	111	4.0	3.0	
267	Gen Elec Inc DY	111	4.0	3.0	
268	Gen Elec Inc DZ	111	4.0	3.0	
269	Gen Elec Inc EA	111	4.0	3.0	
270	Gen Elec Inc EB	111	4.0	3.0	
271	Gen Elec Inc EC	111	4.0	3.0	
272	Gen Elec Inc ED	111	4.0	3.0	
273	Gen Elec Inc EF	111	4.0	3.0	
274	Gen Elec Inc EG	111	4.0	3.0	
275	Gen Elec Inc EH	111	4.0	3.0	
276	Gen Elec Inc EI	111	4.0	3.0	
277	Gen Elec Inc EJ	111	4.0	3.0	
278	Gen Elec Inc EL	111	4.0	3.0	
279	Gen Elec Inc EM	111	4.0	3.0	
280	Gen Elec Inc EN	111	4.0	3.0	
281	Gen Elec Inc EP	111	4.0	3.0	
282	Gen Elec Inc ER	111	4.0	3.0	
283	Gen Elec Inc ES	111	4.0	3.0	
284	Gen Elec Inc ET	111	4.0	3.0	
285	Gen Elec Inc EV	111	4.0	3.0	
286	Gen Elec Inc EW	111	4.0	3.0	
287	Gen Elec Inc EX	111	4.0	3.0	
288	Gen Elec Inc EY	111	4.0	3.0	

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar cautiously firmer

THE DOLLAR continued to edge higher yesterday but the extent of the improvement was restricted by fears of central bank intervention. Investors were also adopting a slightly more cautious stance ahead of tomorrow's release of US trade figures for June.

The US unit opened in London on a slightly firmer note in relatively subdued trading but investors were wary of extending long positions after intervention in Tokyo by the Bank of Japan.

Despite the mood of caution, the dollar attracted sufficient demand to break through resistance at DM1.9450 but just fell short of moving above the DM1.9500 level. Traders feel that central banks are likely to make a further co-ordinated attempt to slow the dollar's rise and this has deterred many investors from opening fresh positions.

However, a smaller US trade deficit could provide sufficient impetus to make central bank intervention much less effective. Forecasts for the June deficit are centred on a \$9bn shortfall against \$10.2bn in May, but estimates vary widely, from between \$6bn and \$10bn.

The dollar closed at DM1.9465 from DM1.9385 and Y142.15 compared with Y141.60.

E IN NEW YORK

Aug.15	Last	Previous Close
E Spot	1.5725 - 1.5745	1.5715 - 1.5775
1 month	1.604 - 1.6265	1.584 - 1.6175
3 months	1.634 - 1.6565	1.604 - 1.6425
12 months	1.68 - 1.7005	1.65 - 1.6755

Forward premiums and discounts apply to the US dollar

STERLING INDEX

Aug.15	Aug.15	Previous
8.30 am	9.15	9.18
9.00	9.14	9.17
11.00 am	9.12	9.16
1.00 pm	9.11	9.16
2.00 pm	9.11	9.17
4.00 pm	9.12	9.15

Estimated rates taken from the end of London trading. Goldmark is convertible franc. Financial rate

CURRENCY RATES

Aug.15	Buy	Sell	European & American	French & German
US Dollars	1.2630	1.47654		
U.S. Dollar	7	1.2575	1.0452	
Australian Dollar	1.7158	1.4105	1.4105	
Belgian Franc	5.11015	43.0105	43.0105	
Canadian Dollar	1.2630	1.47654		
Deutsche Mark	2.0255	2.3255	2.3255	
Dutch Guilder	2.31945	2.33880	2.33880	
Euro	0.71055	0.71111	0.71111	
French Franc	185.55	192.55	192.55	
German Mark	133.804	129.777	129.777	

Estimated rates taken from the end of London trading. Goldmark is convertible franc. Financial rate

DOLLAR SPOT- FORWARD AGAINST THE POUND

Aug.15	Day's spread	One day	One month	%	Three months	%
UK	1.5705 - 1.5800	1.5705 - 1.5800	1.564 - 1.5650m	0.01	1.564 - 1.5650m	0.01
Canada	1.5725 - 1.5825	1.5725 - 1.5825	1.565 - 1.5665m	0.01	1.565 - 1.5665m	0.01
Netherlands	1.5705 - 1.5800	1.5705 - 1.5800	1.563 - 1.5645m	0.01	1.563 - 1.5645m	0.01
Belgium	1.5700 - 1.5800	1.5700 - 1.5800	1.563 - 1.5645m	0.01	1.563 - 1.5645m	0.01
Ireland	1.5705 - 1.5800	1.5705 - 1.5800	1.563 - 1.5645m	0.01	1.563 - 1.5645m	0.01
W. Germany	1.5655 - 1.5705	1.5655 - 1.5705	1.558 - 1.5605m	0.01	1.558 - 1.5605m	0.01
Spain	1.5675 - 1.5725	1.5675 - 1.5725	1.560 - 1.5625m	0.01	1.560 - 1.5625m	0.01
Italy	1.5685 - 1.5725	1.5685 - 1.5725	1.560 - 1.5625m	0.01	1.560 - 1.5625m	0.01
France	1.5675 - 1.5725	1.5675 - 1.5725	1.560 - 1.5625m	0.01	1.560 - 1.5625m	0.01
Sweden	1.5675 - 1.5725	1.5675 - 1.5725	1.560 - 1.5625m	0.01	1.560 - 1.5625m	0.01
Austria	1.5675 - 1.5725	1.5675 - 1.5725	1.560 - 1.5625m	0.01	1.560 - 1.5625m	0.01
Switzerland	1.5675 - 1.5725	1.5675 - 1.5725	1.560 - 1.5625m	0.01	1.560 - 1.5625m	0.01
Ecu	1.5675 - 1.5725	1.5675 - 1.5725	1.560 - 1.5625m	0.01	1.560 - 1.5625m	0.01

Estimated rates taken from the end of London trading. Goldmark is convertible franc. Financial rate

EURPEAN CURRENCY UNIT RATES

Aug.15	For	Central	Direct	Indirect	Spot
Belgian Franc	51.0195	43.0105	43.0105	51.0195	51.0195
Deutsche Mark	2.0255	2.3255	2.3255	2.0255	2.0255
Dutch Guilder	2.31945	2.33880	2.33880	2.31945	2.31945
Euro	0.71055	0.71111	0.71111	0.71055	0.71055
French Franc	185.55	192.55	192.55	185.55	185.55
German Mark	133.804	129.777	129.777	133.804	133.804
Italian Lira	1.5675 - 1.5725	1.5675 - 1.5725	1.5675 - 1.5725	1.5675 - 1.5725	1.5675 - 1.5725
Swiss Franc	1.5675 - 1.5725	1.5675 - 1.5725	1.5675 - 1.5725	1.5675 - 1.5725	1.5675 - 1.5725
Spanish Peseta	185.55	192.55	192.55	185.55	185.55
UK Pound	1.5675 - 1.5725	1.5675 - 1.5725	1.5675 - 1.5725	1.5675 - 1.5725	1.5675 - 1.5725

Estimated rates taken from the end of London trading. Goldmark is convertible franc. Financial rate

EURO-CURRENCY INTEREST RATES

Aug.15	Short term	7 days notice	One Month	Three Months	6x Months	One Year
Sterling	13% - 13%	13% - 13%	13% - 13%	13% - 13%	13% - 13%	13% - 13%
U.S. Dollar	7	1.5725	1.0452	1.0452	1.0452	1.0452
Australian Dollar	1.5725	1.0452	1.0452	1.0452	1.0452	1.0452
Belgian Franc	5.11015	43.0105	43.0105	43.0105	43.0105	43.0105
Canadian Dollar	1.5725	1.0452	1.0452	1.0452	1.0452	1.0452
Deutsche Mark	2.0255	2.3255	2.3255	2.3255	2.3255	2.3255
Dutch Guilder	2.31945	2.33880	2.33880	2.33880	2.33880	2.33880
Euro	0.71055	0.71111	0.71111	0.71111	0.71111	0.71111
French Franc	185.55	192.55	192.55	192.55	192.55	192.55
German Mark	133.804	129.777	129.777	129.777	129.777	129.777
Italian Lira	1.5675 - 1.5725	1.5675 - 1.5725	1.5675 - 1.5725	1.5675 - 1.5725	1.5675 - 1.5725	1.5675 - 1.5725
Swiss Franc	1.5675 - 1.5725	1.5675 - 1.5725	1.5675 - 1.5725	1.5675 - 1.5725	1.5675 - 1.5725	1.5675 - 1.5725
Spanish Peseta	185.55	192.55	192.55	192.55	192.55	192.55
UK Pound	1.5675 - 1.5725	1.5675 - 1.5725	1.5675 - 1.5725	1.5675 - 1.5725	1.5675 - 1.5725	1.5675 - 1.5725

Estimated rates taken from the end of London trading. Goldmark is convertible franc. Financial rate

EXCHANGE CROSS RATES

Aug.15	E	S	DM	Yen	F Fr.	S Fr.	H Ft.	Lira	C \$	B Fr.
Aug.15	1.573	1.04515	2.725	2.725	1.573					

WORLD STOCK MARKETS

AUSTRIA										FRANCE (continued)										GERMANY (continued)										ITALY (continued)										SWEDEN										CANADA									
Augest	15	Sel.	+ or -	Frs.	Augest	15	Bns.	+ or -	Lire	Augest	14	lire	+ or -	Kroner	Augest	15	Krone	+ or -	Stock	High	Low	Clos	Chng	Sales	Stock	High	Low	Clos	Chng	Sales	Stock	High	Low	Clos	Chng																								
Austrian Airlines	2,226	-10			Austrian Pfrs	1,005	-10			Bayer	314.5	-2.5			Safir A	10,350	-10			AGA B Pfrd	274	-1			116425 Compacting	425	410	410	-20	4055 Interp	\$111	111	111		600 Quebec A	16	15	15																					
Creditanstalt	3,300	-10			Austrian St	1,005	-10			Bayer-Aero	500	-10			AGA B Pfrd	274	-1			AGA C Hgt A	318	314	314	-4	4055 Interp	\$107	105	105		304200 Harper	16	15	15																										
Generali	14,000	-50			BNC	745	-10			Bayer-Venice	500	-10			Agfa B Pfrd	670	-1			500 Con TVA	595	514	514	-12	304200 Harper	16	15	15		304200 Harper	16	15	15																										
Landeskredit	240	-10			BNC	737	-10			Benzig	43,900	-100			Agfa B Pfrd	670	-1			1200000 Sct	595	514	514	-12	304200 Harper	16	15	15		304200 Harper	16	15	15																										
Postbank	1,205	-10			BMP Corp	422	-10			Bentley Kraft	117.8	-1.3			Agfa B Pfrd	670	-1			424212 Corolla A	595	514	514	-12	304200 Harper	16	15	15		304200 Harper	16	15	15																										
Reitnauers	244	-10			Borg-Warner	651	-10			Bentley Kraft	117.8	-1.3			Agfa B Pfrd	670	-1			5000 Corvus	595	514	514	-12	304200 Harper	16	15	15		304200 Harper	16	15	15																										
Schaeffler	1,247	-10			Borg-Warner	740	-10			Bentley Kraft	117.8	-1.3			Electra B (Frcd)	365	-1			424212 Corolla A	595	514	514	-12	304200 Harper	16	15	15		304200 Harper	16	15	15																										
Siemens	224	-10			Bosch	740	-10			Bentley Kraft	117.8	-1.3			Electra B (Frcd)	365	-1			50022 Crown A	595	514	514	-12	304200 Harper	16	15	15		304200 Harper	16	15	15																										
Volkswagen	1,048	-10			Bosch	740	-10			Bentley Kraft	117.8	-1.3			Electra B (Frcd)	365	-1			50022 Crown A	595	514	514	-12	304200 Harper	16	15	15		304200 Harper	16	15	15																										
Volksbank	174	-10			Bosch	740	-10			Bentley Kraft	117.8	-1.3			Electra B (Frcd)	365	-1			50022 Crown A	595	514	514	-12	304200 Harper	16	15	15		304200 Harper	16	15	15																										
Werkbank	174	-10			Bosch	740	-10			Bentley Kraft	117.8	-1.3			Electra B (Frcd)	365	-1			50022 Crown A	595	514	514	-12	304200 Harper	16	15	15		304200 Harper	16	15	15																										
Werkbank	702	-10			Bosch	740	-10			Bentley Kraft	117.8	-1.3			Electra B (Frcd)	365	-1			50022 Crown A	595	514	514	-12	304200 Harper	16	15	15		304200 Harper	16	15	15																										
Werkbank	1,252	-10			Bosch	740	-10			Bentley Kraft	117.8	-1.3			Electra B (Frcd)	365	-1			50022 Crown A	595	514	514	-12	304200 Harper	16	15	15		304200 Harper	16	15	15																										
Werkbank	1,252	-10			Bosch	740	-10			Bentley Kraft	117.8	-1.3			Electra B (Frcd)	365	-1			50022 Crown A	595	514	514	-12	304200 Harper	16	15	15		304200 Harper	16	15	15																										
Werkbank	1,252	-10			Bosch	740	-10			Bentley Kraft	117.8	-1.3			Electra B (Frcd)	365	-1			50022 Crown A	595	514	514	-12	304200 Harper	16	15	15		304200 Harper	16	15	15																										
Werkbank	1,252	-10			Bosch	740	-10			Bentley Kraft	117.8	-1.3			Electra B (Frcd)	365	-1			50022 Crown A	595	514	514	-12	304200 Harper	16	15	15		304200 Harper	16	15	15																										
Werkbank	1,252	-10			Bosch	740	-10			Bentley Kraft	117.8	-1.3			Electra B (Frcd)	365	-1			50022 Crown A	595	514	514	-12	304200 Harper	16	15	15		304200 Harper	16	15	15																										
Werkbank	1,252	-10			Bosch	740	-10			Bentley Kraft	117.8	-1.3			Electra B (Frcd)	365	-1			50022 Crown A	595	514	514	-12	304200 Harper	16	15	15		304200 Harper	16	15	15																										
Werkbank	1,252	-10			Bosch	740	-10			Bentley Kraft	117.8	-1.3			Electra B (Frcd)	365	-1			50022 Crown A	595	514	514	-12	304200 Harper	16	15	15		304200 Harper	16	15	15																										
Werkbank	1,252	-10			Bosch	740	-10			Bentley Kraft	117.8	-1.3			Electra B (Frcd)	365	-1			50022 Crown A	595	514	514	-12	304200 Harper	16	15	15		304200 Harper	16	15	15																										
Werkbank	1,252	-10			Bosch	740	-10			Bentley Kraft	117.8	-1.3			Electra B (Frcd)	365	-1			50022 Crown A	595	514	514	-12	304200 Harper	16	15	15		304200 Harper	16	15	15																										
Werkbank	1,252	-10			Bosch	740	-10			Bentley Kraft	117.8	-1.3			Electra B (Frcd)	365	-1			50022 Crown A	595	514	514	-12	304200 Harper	16	15	15		304200 Harper	16	15	15																										
Werkbank	1,252	-10			Bosch	740	-10			Bentley Kraft	117.8	-1.3			Electra B (Frcd)	365	-1			50022 Crown A	595	514	514	-12	304200 Harper	16	15	15		304200 Harper	16	15	15																										
Werkbank	1,252	-10			Bosch	740	-10			Bentley Kraft	117.8	-1.3			Electra B (Frcd)	365	-1			50022 Crown A	595	514	514	-12	304200 Harper	16	15	15		304200 Harper	16	15	15																										
Werkbank	1,252	-10			Bosch	740	-10			Bentley Kraft	117.8	-1.3			Electra B (Frcd)	365	-1			50022 Crown A	595	514	514	-12	304200 Harper	16	15	15		304200 Harper	16	15	15																										
Werkbank	1,252																																																										

Spm prices August 15

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High Low Stock	Div. Yld.	P/S	100/High	Low	Close Prev. Close Close	Chg/P Chg	12 Month High Low Stock	Div. Yld.	P/S	100/High	Low	Close Prev. Close Close	Chg/P Chg	12 Month High Low Stock	Div. Yld.	P/S	100/High	Low	Close Prev. Close Close	Chg/P Chg	12 Month High Low Stock	Div. Yld.	P/S	100/High	Low	Close Prev. Close Close	Chg/P Chg
33% AAR	.44	1.40	80	51	51	-1	46% AAR	.44	1.40	80	51	51	-1	24% AAR	.44	1.40	80	51	51	-1	12% AAR	.44	1.40	80	51	51	-1
85% ACM-A	.101	11.	150	95	95	-1	45% ACM-B	.101	11.	150	95	95	-1	24% ACM-C	.101	11.	150	95	95	-1	12% ACM-D	.101	11.	150	95	95	-1
10% ACM-E	.101	11.	150	95	95	-1	46% ACM-F	.101	11.	150	95	95	-1	25% ACM-G	.101	11.	150	95	95	-1	12% ACM-H	.101	11.	150	95	95	-1
10% ACM-I	.101	11.	150	95	95	-1	47% ACM-J	.101	11.	150	95	95	-1	26% ACM-K	.101	11.	150	95	95	-1	12% ACM-L	.101	11.	150	95	95	-1
10% ACM-M	.101	11.	150	95	95	-1	48% ACM-N	.101	11.	150	95	95	-1	27% ACM-O	.101	11.	150	95	95	-1	12% ACM-P	.101	11.	150	95	95	-1
10% ACM-Q	.101	11.	150	95	95	-1	49% ACM-R	.101	11.	150	95	95	-1	28% ACM-S	.101	11.	150	95	95	-1	12% ACM-T	.101	11.	150	95	95	-1
10% ACM-U	.101	11.	150	95	95	-1	50% ACM-V	.101	11.	150	95	95	-1	29% ACM-W	.101	11.	150	95	95	-1	12% ACM-X	.101	11.	150	95	95	-1
10% ACM-Y	.101	11.	150	95	95	-1	51% ACM-Z	.101	11.	150	95	95	-1	30% ACM-A	.101	11.	150	95	95	-1	12% ACM-B	.101	11.	150	95	95	-1
10% ACM-C	.101	11.	150	95	95	-1	52% ACM-D	.101	11.	150	95	95	-1	33% ACM-E	.101	11.	150	95	95	-1	12% ACM-F	.101	11.	150	95	95	-1
10% ACM-G	.101	11.	150	95	95	-1	53% ACM-H	.101	11.	150	95	95	-1	34% ACM-I	.101	11.	150	95	95	-1	12% ACM-J	.101	11.	150	95	95	-1
10% ACM-K	.101	11.	150	95	95	-1	54% ACM-L	.101	11.	150	95	95	-1	35% ACM-M	.101	11.	150	95	95	-1	12% ACM-N	.101	11.	150	95	95	-1
10% ACM-O	.101	11.	150	95	95	-1	55% ACM-P	.101	11.	150	95	95	-1	36% ACM-Q	.101	11.	150	95	95	-1	12% ACM-R	.101	11.	150	95	95	-1
10% ACM-S	.101	11.	150	95	95	-1	56% ACM-T	.101	11.	150	95	95	-1	37% ACM-U	.101	11.	150	95	95	-1	12% ACM-V	.101	11.	150	95	95	-1
10% ACM-W	.101	11.	150	95	95	-1	57% ACM-X	.101	11.	150	95	95	-1	38% ACM-Y	.101	11.	150	95	95	-1	12% ACM-Z	.101	11.	150	95	95	-1
10% ACM-A	.101	11.	150	95	95	-1	58% ACM-B	.101	11.	150	95	95	-1	39% ACM-C	.101	11.	150	95	95	-1	12% ACM-D	.101	11.	150	95	95	-1
10% ACM-E	.101	11.	150	95	95	-1	40% ACM-F	.101	11.	150	95	95	-1	41% ACM-G	.101	11.	150	95	95	-1	42% ACM-H	.101	11.	150	95	95	-1
10% ACM-I	.101	11.	150	95	95	-1	43% ACM-J	.101	11.	150	95	95	-1	44% ACM-K	.101	11.	150	95	95	-1	45% ACM-L	.101	11.	150	95	95	-1
10% ACM-M	.101	11.	150	95	95	-1	46% ACM-N	.101	11.	150	95	95	-1	47% ACM-O	.101	11.	150	95	95	-1	48% ACM-P	.101	11.	150	95	95	-1
10% ACM-Q	.101	11.	150	95	95	-1	49% ACM-R	.101	11.	150	95	95	-1	50% ACM-S	.101	11.	150	95	95	-1	51% ACM-T	.101	11.	150	95	95	-1
10% ACM-U	.101	11.	150	95	95	-1	52% ACM-V	.101	11.	150	95	95	-1	53% ACM-W	.101	11.	150	95	95	-1	54% ACM-X	.101	11.	150	95	95	-1
10% ACM-Y	.101	11.	150	95	95	-1	55% ACM-Z	.101	11.	150	95	95	-1	56% ACM-A	.101	11.	150	95	95	-1	57% ACM-B	.101	11.	150	95	95	-1
10% ACM-C	.101	11.	150	95	95	-1	58% ACM-D	.101	11.	150	95	95	-1	59% ACM-E	.101	11.	150	95	95	-1	60% ACM-F	.101	11.	150	95	95	-1
10% ACM-G	.101	11.	150	95	95	-1	61% ACM-H	.101	11.	150	95	95	-1	62% ACM-I	.101	11.	150	95	95	-1	63% ACM-J	.101	11.	150	95	95	-1
10% ACM-K	.101	11.	150	95	95	-1	64% ACM-L	.101	11.	150	95	95	-1	65% ACM-M	.101	11.	150	95	95	-1	66% ACM-N	.101	11.	150	95	95	-1
10% ACM-O	.101	11.	150	95	95	-1	67% ACM-P	.101	11.	150	95	95	-1	68% ACM-Q	.101	11.	150	95	95	-1	69% ACM-R	.101	11.	150	95	95	-1
10% ACM-S	.101	11.	150	95	95	-1	70% ACM-T	.101	11.	150	95	95	-1	71% ACM-U	.101	11.	150	95	95	-1	72% ACM-V	.101	11.	150	95	95	-1
10% ACM-W	.101	11.	150	95	95	-1	73% ACM-X	.101	11.	150	95	95	-1	74% ACM-Y	.101	11.	150	95	95	-1	75% ACM-Z	.101	11.	150	95	95	-1
10% ACM-A	.101	11.	150	95	95	-1	76% ACM-B	.101	11.	150	95	95	-1	77% ACM-C	.101	11.	150	95	95	-1	78% ACM-D	.101	11.	150	95	95	-1
10% ACM-E	.101	11.	150	95	95	-1	79% ACM-F	.101	11.	150	95	95	-1	80% ACM-G	.101	11.	150	95	95	-1	81% ACM-H	.101	11.	150	95	95	-1
10% ACM-I	.101	11.	150	95	95	-1	82% ACM-J	.101	11.	150	95	95	-1	83% ACM-K	.101	11.	150	95	95	-1	84% ACM-L	.101	11.	150	95	95	-1
10% ACM-M	.101	11.	150	95	95	-1	85% ACM-N	.101	11.	150	95	95	-1	86% ACM-O	.101	11.	150	95	95	-1	87% ACM-P	.101	11.	150	95	95	-1
10% ACM-Q	.101	11.	150	95	95	-1	88% ACM-R	.101	11.	150	95	95	-1	89% ACM-S	.101	11.	150	95	95	-1	90% ACM-T						

NYSE COMPOSITE PRICES

12 Month P/ 514
High Low Stock Div. Yld. S 1000 High low
Continued from previous Page

12 Month		Stock	P/E				Close		Chg/	
High	Low		Div.	Yield	100c	High	Low	Prev.	Quote	Close
15%	13%	Weir s. 16s	1.1		19	141 ^a	141 ^a	141 ^a	141 ^a	
31%	27%	Weisbar .36	1.8	10	20	344 ^a	344 ^a	344 ^a	344 ^a	
32%	25%	Weiss s.	1.8	13	143	50	50	29 ^b	-1 ^c	
85%	55%	WestF 3	3.8	8	443	75 ^a	75 ^a	75 ^a	75 ^a	-1 ^c
20%	15%	West FM 19.50c			20	20	20	20	20	
7%	5%	Wendy's	4.1	10	124	57 ^a	57 ^a	57 ^a	57 ^a	
21%	12%	West. 1.50	2.1	13	14	55	55	55	55	+1 ^c
50%	30%	WhiPp 1.20	2.1	23	14	55	55	55	55	
18%	12%	WestCo 9.80	1.6	8	162 ^a	162 ^a	162 ^a	162 ^a	+1 ^c	
51%	51%	WCNA	2.6	10	84	84	84	84	84	+1 ^c
24%	11%	Wimitor	5.7	13	13	14 ^a	14 ^a	14 ^a	14 ^a	
15%	5%	Winn PB			14	10 ^a	10 ^a	10 ^a	10 ^a	-1 ^c
72%	45%	Wise 2.40	3.5	12	52	58 ^a	58 ^a	58 ^a	58 ^a	+1 ^c
23%	17%	Wiego n. 541	4.8	20	203	17 ^a	17 ^a	17 ^a	17 ^a	
33%	28%	Wiesco 92	2.9	9	175	51 ^a	51 ^a	51 ^a	51 ^a	
32%	23%	Wichar 1.20	2.5	11	1093	21 ^a	21 ^a	21 ^a	21 ^a	+1 ^c
45%	32%	Wiley p.2.82	6.5	216	105	314 ^a	314 ^a	314 ^a	314 ^a	
22%	7%	WihPp	1.6	10	124	124 ^a	124 ^a	124 ^a	124 ^a	-1 ^c
22%	22%	Whirlp 1.10	3.6	29	1932	30 ^a	30 ^a	30 ^a	30 ^a	-1 ^c
10%	10%	WhitCo 1.20	5.0	15	145	145	145	145	145	+1 ^c
31%	11%	WhitCo n. 100	5.0	15	325	94 ^a	94 ^a	94 ^a	94 ^a	-1 ^c
5%	5%	WhitCo p.1.00	5.5	216	105	314 ^a	314 ^a	314 ^a	314 ^a	
20%	10%	WhitCo 5.10	5.5	10	124	124 ^a	124 ^a	124 ^a	124 ^a	-1 ^c
40%	22%	WhitCo 1.40	5.5	8	88	29 ^a	29 ^a	29 ^a	29 ^a	+1 ^c
22%	12%	WhitCo 1.40	5.5	8	88	29 ^a	29 ^a	29 ^a	29 ^a	+1 ^c
65%	5%	WhitCo 20x	3.150	34	61 ^a	61 ^a	61 ^a	61 ^a		
47%	15%	WhitCo 20x	3.150	34	113 ^a	113 ^a	113 ^a	113 ^a		
52%	12%	WhitCo 1.38	5.5	445	157 ^a	157 ^a	157 ^a	157 ^a		
10%	7%	WhitCo 1.40	5.5	35	32 ^a	75 ^a	75 ^a	75 ^a	75 ^a	
33%	11%	WhitCo 1.40	5.5	35	32 ^a	75 ^a	75 ^a	75 ^a	75 ^a	
20%	15%	WhitCo 1.40	5.5	35	32 ^a	75 ^a	75 ^a	75 ^a	75 ^a	
24%	20%	WhitCo 1.40	5.5	35	32 ^a	75 ^a	75 ^a	75 ^a	75 ^a	
41%	33%	WhitCo 1.40	5.5	35	32 ^a	75 ^a	75 ^a	75 ^a	75 ^a	
10%	7%	WihPp .18	1.1	13	114	14 ^a	14 ^a	14 ^a	14 ^a	-1 ^c
55%	45%	WihPp 1.85	3.0	14	1558	63 ^a	63 ^a	63 ^a	63 ^a	-1 ^c
10%	5%	WihPp p.2.20	1.2	1	151	151	151	151	151	
12%	5%	WihPp 1.85	3.0	14	1558	63 ^a	63 ^a	63 ^a	63 ^a	
17%	5%	WihPp 1	5.7	8	177 ^a	12 ^a	12 ^a	12 ^a	12 ^a	-1 ^c
51%	32%	WihPp .50	1.7	19	92	47 ^a	47 ^a	47 ^a	47 ^a	+1 ^c
10%	7%	WihPp .50	1.7	12	92	47 ^a	47 ^a	47 ^a	47 ^a	+1 ^c
17%	9%	WihPp .50	1.7	12	92	47 ^a	47 ^a	47 ^a	47 ^a	+1 ^c
17%	4%	WihPp 1	5.7	8	177 ^a	12 ^a	12 ^a	12 ^a	12 ^a	-1 ^c
<hr/>										
- X - Y - Z -										
80%	51%	Xerox	3	45	16	542	67 ^a	67 ^a	67 ^a	+1 ^c
44%	22%	XTRA 1.72	22	10	44	23 ^a	23 ^a	23 ^a	23 ^a	-1 ^c
22%	22%	XTRA p.1.94	7.3	14	25 ^a	25 ^a	25 ^a	25 ^a		
4%	4%	Xzap	3.000	34	34	21 ^a	21 ^a	21 ^a	21 ^a	-1 ^c
10%	10%	Zander .40	3.5128	11	11	11 ^a	11 ^a	11 ^a	11 ^a	
22%	18%	Zander 1.20	1.3	55	95 ^a	95 ^a	95 ^a	95 ^a		
24%	14%	Zander 1.20	1.3	55	95 ^a	95 ^a	95 ^a	95 ^a		
10%	5%	Zander .40	4.4	9	130	15 ^a	15 ^a	15 ^a	15 ^a	-1 ^c
24%	14%	Zander .50	23	17	25	21 ^a	21 ^a	21 ^a	21 ^a	+1 ^c
44%	21%	Zander .50	1.7	20	188	40 ^a	40 ^a	40 ^a	40 ^a	-1 ^c
12%	10%	Zeeq 1.00e	8.2	10	114	11 ^a	11 ^a	11 ^a	11 ^a	
10%	8%	Zeeq p. .58	10	546	95	92 ^a	92 ^a	92 ^a	92 ^a	+1 ^c

Sales Spares are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the last declaration.

a-dividend also xtra(s), b-annual rate of dividend plus stock dividend, c-equivalent dividend, d-called, d-new yearly low, d-dividends declared or paid in preceding 12 months, g-dividend in Canadian funds, subject to 15% non-residence tax, i-dividend declared after split-up or stock dividend, j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting, k-dividend declared or paid this year, an accumulative issue with dividends in arrears, n-new issue in the past 52 weeks. The high-low range begins with the start of trading, d-next day delivery, P/E price-earnings ratio, r-dividend declared or paid in preceding 12 months, plus stock dividend, stock split. Dividends begin with date of split, m-splits, dividend paid in stock in preceding 12months, distributed cash value on ex-dividend or ex-distribution date, u-new yearly high-trading totalled, w-in bankruptcy or receivership or being liquidated under the Bankruptcy Act, or securities assumed by such companies, u-underliquidated, w-within bankruptcy or receivership.

OVER-THE-COUNTER

*Nasdaq national market,
3pm prices August 15*

Stock	Div.	5/16/96	High	Low	Last	Chng	Stock	Div.	Sales	100s	High	Low	Last	Chng	Stock	Div.	Sales	100s	High	Low	Last	Chng	Stock	Div.	Sales	100s	High	Low	Last	Chng
ADC	13	63	103	61	61	-	DelCoL	10	311	73	71	71	71	-	Kodak	10	23	61	58	58	58	-	Rouhd	556	24	4797	481	45	45	+ 1
ADT	10	261	311	21	21	-	DepGp	152	6	51	51	51	51	-	Konica	10	28	50	50	50	50	-	Rowan	8	8	74	74	74	74	-
ASP	12	155	174	15	15	-	Devon	11	1	153	153	153	153	-	Kosche	10	28	20	20	20	20	-	RuchEl	16	12	2277	23	22	22	-
ALC h	213	4	54	34	34	-	Diagnst	34	1285	82	82	82	82	-	Komag	10	131	92	92	92	92	-	RuchEl	12	12	2277	23	22	22	-
ASK	12	257	117	11	11	-	Distrb's	55	12	25	27	27	27	-	Kulicke	10	110	87	87	87	87	-	RuchEl	10	12	2277	23	22	22	-
AST	12	171	171	11	11	-	Dictron	22	2044	21	21	21	21	-	LPL	12	12	83	254	244	244	-	RuchEl	12	12	2277	23	22	22	-
Ascom	156	5	125	125	125	-	Difmar	12	141	18	18	18	18	-	LST Ld	5	5	31	114	112	112	-	RuchEl	12	12	2277	23	22	22	-
ActArtr	1	25	62	15	15	-	DifYr	55	12	62	15	15	15	-	LST Ld	5	5	31	97	97	97	-	RuchEl	12	12	2277	23	22	22	-
Actors	12	125	125	125	125	-	DigiGn	20	593	20	20	20	20	-	LTX	15	15	345	49	48	48	-	RuchEl	12	12	2277	23	22	22	-
AdelBd	16	12	57	44	44	-	Domi	55	12	87	20	20	20	-	LePetz	10	112	55	55	55	55	-	RuchEl	12	12	2277	23	22	22	-
Adapt	12	41	19	19	19	-	Droh't	55	12	53	16	16	16	-	Lectr	40	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
Adatings	14	12	118	23	23	-	Dress	22	17	68	27	27	27	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
Advobis	14	12	118	23	23	-	DreyGr	40	28	75	32	32	32	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
AdvPol	15	205	205	17	17	-	DruGn	40	28	75	32	32	32	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
AdvTel	26	2214	24	24	24	-	Durand	40	12	26	16	16	16	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
Advans	12	12	12	12	12	-	Durim	40	12	15	10	10	10	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
AdvSys	12	11	73	15	15	-	Durit	24	11	155	14	14	14	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
AdvSpc	32	11	11	11	11	-	Dyca	22	11	155	14	14	14	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
AdvSph	11	11	11	11	11	-	Dynas	22	11	155	14	14	14	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
Agnew	1	11	157	157	157	-	DynatC	10	12	15	10	10	10	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
AirAero	4	12	16	155	155	-	EAC	10	12	15	10	10	10	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
AirWise	11	11	11	11	11	-	EAG	10	12	15	10	10	10	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
Alcohol	12	12	12	12	12	-	EASy	10	12	15	10	10	10	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
Alid	12	12	12	12	12	-	EBay	10	12	15	10	10	10	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
AlidBd	20	12	12	12	12	-	ECat	10	12	15	10	10	10	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
Allico	25	17	17	17	17	-	ECat	10	12	15	10	10	10	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
AllegW	17	17	17	17	17	-	Ecce	10	12	15	10	10	10	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
AllenPh	12	12	12	12	12	-	Ecce	10	12	15	10	10	10	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
Altwest	12	12	12	12	12	-	ECat	10	12	15	10	10	10	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
Altura	12	12	12	12	12	-	ECat	10	12	15	10	10	10	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
Alps	12	12	12	12	12	-	ECat	10	12	15	10	10	10	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
AT&T	170	15	15	15	15	-	ECat	10	12	15	10	10	10	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
AWAirI	15	15	15	15	15	-	ECat	10	12	15	10	10	10	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
ABM	50	15	15	15	15	-	ECat	10	12	15	10	10	10	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
AmCity	55	9	32	15	15	-	ECat	10	12	15	10	10	10	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
AMS	148	11	4	11	11	-	ECat	10	12	15	10	10	10	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
AmPac	14	12	151	114	114	-	ECat	10	12	15	10	10	10	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
ASVIFa	20	12	2172	17	17	-	ECat	10	12	15	10	10	10	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
ASoft	12	12	12	12	12	-	ECat	10	12	15	10	10	10	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
AmSt	9	2	10	12	12	-	ECat	10	12	15	10	10	10	-	Lectr	38	11	126	17	17	17	-	RuchEl	12	12	2277	23	22	22	-
ATCM	24	24	24	24	24	-	ECat	10	12	15																				



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AMERICA

Hopes of further falls in interest rates boost Dow

Wall Street

RENEWED hopes that interest rates would continue to decline helped US equities recover yesterday from their recent losses in fairly quiet trading, writes Karen Zagor in New York.

At 2 pm, the Dow Jones Industrial Average was up 9.11 points to 2,857.03. However, the Dow Jones Transportation Average fell back as airline stocks retraced some of their recent gains. Trading was moderately active, with 101m shares changing hands on the New York Stock Exchange. Advancing issues had a slight edge on those declining.

Equities were supported by the debt market, which took heart from signs that President Bush might encourage lower interest rates. "I don't know if any president now or in the past who didn't want lower interest rates," said Mr Bush.

US treasury bonds, which had slipped by almost 3 points since last Thursday, posted moderate gains through early trading. At mid-day the Treasury's new bellwether 30-year bond, sold at the end of the quarterly refunding last week, was up 1 point at 9.11, yielding 8.19 per cent.

The Federal Reserve did not arrange any open market operation and Fed funds were at 9.4 per cent in early afternoon trading.

The debt market was supported by a strong dollar, which at mid-day was trading at Y142.35 and DM1.9470, up from Y141.75 and DM1.9420 in

EUROPE

Sweden seizes limelight as turnover shrinks elsewhere

VOLUME was light throughout Europe yesterday, with the exception of Stockholm, which reached another record high in active trading, writes Our Markets Staff, Paris, Milan, Madrid, Brussels and Vienna, were closed for Assumption Day.

STOCKHOLM climbed in a busy session with the Affärsvärden index gaining 7.3 to 1,358.2, an all-time high. Trelleborg, the conglomerate, led the market up following its joint takeover bid with Noranda of Canada for Falconbridge, the Canadian metals group. Trelleborg restricted B shares rose SKr21 to SKr406 and its free B shares climbed SKr22 to SKr45.

Volvo free B shares rose SKr12 to SKr500, a record high.

Ericsson free B shares rose SKr23 to SKr675 following buyback.

FRANKFURT stuck to its downhill path, with share prices declining as profit-taking continued. This third day of falls, however, was still regarded as healthy, following the heavy buying of the market key.

Disappointing results from Hoechst, the chemical group, dampened sentiment at the outset. The DAX index closed 10.72, or 0.7 per cent, lower at 1,573.65 after falling to 1,563.99.

The FAZ index fell below the 650 level, losing 7.34 to 647.10. Turnover was a modest DM1.7bn.

Hoechst lost DM4.30 to DM298.90 after reporting a rise in first-half pre-tax profits of 8.8 per cent - below expectations.

An analyst said that one reason for the smaller growth than anticipated was that Hoechst has to buy its ethylene, which had put pressure on its profits. He added that this was a problem that should not affect the other big chemical

New York late on Monday. The dollar held firm in spite of reported intervention by the Bank of Japan and the Federal Reserve to try to halt the advance of the US currency.

Shares in UAL, the parent of United Airlines, fell 4% to \$254. The company is the target of a takeover attempt by the Los Angeles investor Mr Marvin Davis, who has offered \$240 a share for the UAL.

Among other airline issues, Texas Air, the parent of Eastern Air Lines and Continental, fell 4% to \$167. AMR, the parent of American Airlines, was down 3% to \$73.75. Delta Air Lines added 3% to \$74.4. USAir fell 3% to \$49.75.

JC Penney and Dayton Hudson, two big department store chains, gained 3% to \$56 and 3% to \$61.40 respectively. Both reported improved second quarter earnings, with JC Penney's earnings per share at 74 cents from 61 cents a year earlier and Dayton Hudson's per-share earnings at 72 cents against 34 cents.

Atari fell 3% to \$9.40 after the personal computer and video games company reported lower-than-expected second quarter earnings late on Monday. Atari said its profits plunged 94 per cent to one cent a share.

Di Giorgio jumped 3% to \$35.40 after the company rejected an unsolicited bid of \$32 a share from the investor Mr Arthur Goldberg. The San Francisco-based food packer and distribution group said its board would consider other possibilities, including the sale of all or part of the company.

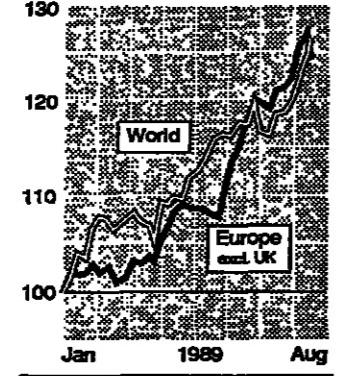
Canada

STOCKS were in slow retreat in Toronto in the morning session and by 1 pm the composite index had slipped 2.56 to 3,917.11, declines leading advances 278 to 155 on volume of 19m shares. Golds saw upward activity in spite of weak bullion prices in New York.

Corsa shed C\$4 to C\$8 after strong rises in the last few days, prompted by a Supreme Court of Canada ruling awarding it the rich Page Williams gold mine.

Falconbridge rose C\$4 to C\$38.4.

FT-A World Indices in £ terms



companies, BASF and Bayer, both of which report six-month figures in the next couple of weeks. BASF shed DM1.50 to DM297.50 and Bayer slipped DM2.50 to DM31.50.

During the current period of consolidation, said the analyst, interest would focus on companies with firm profits outlooks, such as constructions, and special situation issues. "People will be sniffing around the edges looking for smaller stocks."

In the construction sector, Heidelberg Zement gained DM8 to DM550. Deutsche Babcock, the engineering group which is also considered to be an environmental stock because it makes anti-pollution equipment, ended DM1 lower at DM216 after dipping to DM211 earlier.

Feldmühle gained DM7 to DM408 on news that the Federal Cartel Office had no objections to utility Veba's taking a majority stake. Veba, which already owns 46 per cent of Feldmühle, shed DM2.20 to DM337.

FT-ACTUARIES WORLD INDICES

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NATIONAL AND REGIONAL MARKETS

	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency	Day's change % local currency	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1989 High	1989 Low	Year ago (approx)
Australia (85)	150.43	+1.7	140.80	131.57	+1.8	3.90	147.87	136.28	126.48	157.12	126.28	148.14
Austria (19)	135.37	-0.1	127.64	137.73	+0.5	1.77	136.57	127.71	130.05	132.54	125.42	130.94
Belgium (63)	133.14	-0.2	124.62	133.63	+0.0	4.14	133.47	124.81	133.63	137.97	125.58	111.42
Canada (124)	151.73	-0.4	142.02	125.43	-0.1	3.05	152.27	142.39	129.56	153.59	124.67	118.46
Denmark (26)	135.59	-0.7	128.59	139.59	-0.2	1.57	135.73	128.93	200.33	219.89	165.55	122.04
Finland (26)	135.59	-0.7	128.59	139.59	-0.2	1.57	135.73	128.90	202.02	143.48	125.61	125.33
France (129)	128.02	+0.0	119.82	131.48	+0.2	2.97	127.10	119.88	131.48	133.44	112.57	89.91
West Germany (100)	96.01	-1.4	88.86	96.78	-1.4	2.11	97.32	97.31	97.31	97.31	97.31	74.08
Hong Kong (48)	110.82	+1.4	103.73	111.07	+1.4	4.87	109.34	102.25	102.55	140.33	86.41	107.00
Ireland (17)	150.58	-1.0	150.30	161.07	-1.2	2.55	162.26	151.73	162.34	166.89	125.00	125.00
Italy (9)	91.81	+1.0	85.84	95.57	-1.1	2.34	92.76	88.74	95.54	95.04	74.97	71.50
Japan (458)	157.24	+1.0	157.58	157.58	-0.2	0.49	187.19	175.04	167.90	200.11	164.22	163.76
Malaysia (36)	123.22	-0.1	110.95	123.13	+0.0	2.41	193.38	180.83	193.07	193.38	143.35	148.60
Mexico (13)	268.62	+0.2	251.42	247.65	-0.5	2.07	260.00	210.70	243.00	277.40	153.32	147.90
Netherlands (43)	125.82	-0.7	118.70	125.53	-0.7	4.10	127.73	118.44	129.07	130.97	125.00	102.00
New Zealand (20)	77.99	-1.5	72.99	70.40	-0.6	4.91	79.17	74.03	70.24	81.13	62.64	72.98
Norway (24)	174.52	-0.7	163.36	167.55	-0.7	1.54	175.79	164.38	168.81	196.39	138.92	114.77
Singapore (28)	170.62	+0.2	169.69	153.91	+0.4	1.80	170.33	159.28	153.34	170.62	124.57	128.29
South Africa (60)	157.56	-0.1	142.34	137.08	-0.4	4.01	153.37	143.41	137.68	154.31	115.53	110.67
Spain (39)	154.93	+0.0	147.00	142.49	+0.0	3.81	154.88	144.81	142.46	158.08	143.14	146.51
Sweden (35)	194.90	-0.1	173.07	184.85	+0.1	1.01	185.02	173.02	178.98	188.94	133.45	124.40
Switzerland (64)	90.58	-1.2	84.78	94.06	+1.0	2.01	91.75	84.98	94.06	97.41	76.38	76.38
United Kingdom (310)	151.77	-1.3	142.06	142.06	-1.2	4.10	153.75	142.77	153.47	152.28	130.24	127.00
USA (55)	139.70	-0.5	130.78	139.70	-0.5	3.28	140.98	131.27	140.88	142.07	112.13	105.65
Europe (1003)	127.50	-1.0	119.34	124.21	-0.9	3.90	128.73	120.38	122.82	112.63	103.49	103.49
Nordic (121)	167.84	-0.3	157.09	153.98	-0.1	1.78	162.92	157.38	161.93	176.38	137.95	108.99
Pacific Basin (670)	182.96	+0.1	171.24	164.05	-0.1	0.70	182.80	170.53	182.96	182.96	141.00	140.85
Euro - Pacific (1673)	160.87	-0.3	150.57	148.06	-0.4	1.54	162.17	150.50	148.90	168.98	141.58	137.31
North America (675)	140.32	-0.5	131.34	139.08	-0.5	3.25	140.99	131.80	140.99	142.64	112.78	106.33
Europe Ex. UK (693)	112.09	-0.7	104.91	118.10	-0.7	2.71	112.87	105.55	113.94	116.28	96.30	92.60
Far East Ex. Japan (215)	151.20	+1.2	123.28	119.84	+1.3	4.46	130.10	121.66	118.35	137.65	111.93	125.80
World Ex. US (1970)</												